

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
REGULAR MEETING OF THE BOARD OF SUPERVISORS
September 20, 2017**

The regular meeting of the Lely Community Development District Board of Directors was held on Wednesday, September 20, 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

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 Chairman Lee, and the invocation was offered by Mr. Dorrill. The Pledge of Allegiance was then recited in unison.

PUBLIC COMMENT

Mr.*** from the Majors addressed the Board about the fish kill that had occurred in their lake, advising them that thousands of small fish were floating on one end of it. Mr. Carter noted that this had occurred in four of the District lakes, and that they had begun the previous afternoon cleaning the fish out, and at this point the job is almost completed.

ROLL CALL/APPROVAL OF THE AGENDA

All Board members were in attendance, with Mr. Fisher participating via speakerphone.

Mr. Dorrill added item 4D, a discussion of the Insurance package renewal.

With that addition, the Agenda was unanimously approved, and Mr. Fisher's participation via speakerphone due to extraordinary circumstances was unanimously authorized on a MOTION by Mr. Ousley and a second by Mr. Drum.

Mr. Ousley thanked Mr. Carter for the good job he had done before and after the storm.

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In response to Mr. Drum's question about the timing of the budget, Mr. Dorrill noted that the budget was adopted the previous month, and has been transmitted to the tax collector and property appraiser. The new employee salaries are included in that budget.

APPROVAL OF MINIUTES OF AUGUST, 2017 MEETINGS

On a MOTION by Kenneth Drum and a second by Gerry Campkin, the Public Hearing minutes were unanimously approved by the Board.

On a MOTION by Mr. Ousley and a second by Mr. Drum, the regular August meeting minutes were unanimously approved by the Board.

MANGER'S REPORT

A. Hurricane Update

Mr. Dorrill provided the Board with a brief chronology of the storm events. On Labor Day emails were sent to the operations managers in some other big communities in the County, noting that while the storm was six days out, they were asked to confirm their supplies and to begin closely monitoring the storm.

On the following Wednesday Mr. Dorrill was asked to attend a briefing of the top County officials at the EOC, and those continued up to and immediately following the storm.

Mr. Carter was complemented on the fact that everything that was discussed during the annual hurricane workshop did actually occur, from topping off the propane tanks, making sure the generator was running correctly, and to have arrangements made to have staff back at work the day after the storm. The Chairman officially authorized a \$200 bonus to all the men who showed up the day after the storm, and all of them were there with the exception of two who had left the state. These men worked very hard during the previous week and were provided their meals at Lely.

Just prior to the formation of the storm the tree service contractor contacted Lely and was put on a pre-retainer as has been the case in prior years, to show up at early at Lely after a storm. That contractor worked from Sunday well before dawn to begin the clean up. Those costs have been applied against his initial retainer.

A second contractor is hauling away all the horticultural debris, Weery trucking, and they will be on site for the foreseeable future with large semi trailers. They will be collecting the horticultural debris that is in the public right-of-way and taking it to a staging area at the intersection of Grand Lely and Celeste Boulevard that has been provided by Stock Development. FEMA, in conjunction with the County, will then remove the material at no cost

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to the District as they are eligible for those services.

Mr. Drum noted that they had been having their landscaper do the pickup, and he wondered when the County would be taking over with FEMA to do this. Mr. Dorrill advised that FEMA had sent out a written notice indicating that they would pick up the debris for both public and private streets if they are adjacent to someone's lot, or in the private or public right-of-ways. They will be using a large national disaster contractor, and it is anticipated that more details will be received on the scheduling of this work by Friday. Mr. Dorrill assured Mr. Drum that the trucks had the equipment to pick up very large trees as well.

There were some brief discussions about the problems various communities had with sewage overflows and low water pressure, but the County utilities have done an excellent job in bringing these issues back on track.

Mr. Drum noted that some people are paying a fee to regular landscapers to have large trees cut up and hauled away as opposed to waiting for FEMA to come and do the work, and Mr. Dorrill indicated that they can do this, or they can wait for the County to come in and haul it away. (Mr. Campkin's comment was inaudible.)

A resident of Wildflower Way asked about the sidewalks along that roadway, which continue to be covered with downed trees and debris, and whether staff had an agenda as to when that cleanup would begin. Mr. Dorrill indicated that the CDD owns and maintains the landscaping on Wildflower Way, and that they have a contractor who is picking up debris and taking it to the staging areas on the main boulevards now so the grass can be cut on the medians and street scapes. This company is Wheery Trucking Lines, and they are a licensed horticultural removal company and will be doing this work for the community.

In response to another question from this resident about what can be done to save certain trees, Mr. Dorrill indicated that they are also working with a Florida Licensed arborist, and at Kevin's discretion, this gentleman will be able to determine if a tree can be saved. Any downed Queen Palm will be removed, as well as those that are left standing alone from a group that was otherwise taken down by the storm. For the most part the Royal Palms and Sabal Palms did very well as they are native to the area. In some areas the oaks did well, in others they all came down. Mr. Dorrill added that oaks need to be thinned yearly so the wind can blow through them.

A resident asked if Stock would do any replacement landscaping, and Mr. Dorrill felt that in the areas where he was still actively developing he would be responsible for that. Other than that he would have no obligation to do replacement landscaping. It has been estimated that over 1,000 CDD trees went down. Landscape related costs are not eligible for reimbursement by

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FEMA, and that would include propping up trees in an attempt to save them, or any of the value of the lost product. Reimbursement from FEMA is for debris removal.

In response to a resident's question Mr. Dorrill indicated that the Board could choose to do an assessment for tree and shrub replacement, or as was done in the past, get a line of credit with the bank. The Board will make a determination of what would be best, probably sometime in November.

At the request of a resident, Mr. Dorrill reiterated those trees that are the best choice for the community, including Royal Palms, Sabal Palms and Live Oaks.

B. C. Equipment Purchase for FY 2018/CSA Contract Maintenance

In anticipation of the extra work that will begin in October for the new CSA area, some additional equipment was budgeted for the coming fiscal year. That area is in bad shape at this time with trees down and debris everywhere, and a discussion will be held with Stock to determine if and how the Master HOA will try to restore that area before the maintenance is taken over by the District.

A brief discussion was held regarding the contractor who is presently doing that maintenance for the HOA, and apparently he has been doing some debris pickup in that CSA area.

Capital funds will be used as budgeted for the new equipment which includes a new truck and trailer and new mowers for the new, three man crew which will be advertised for.

The new contract day labor rate is \$45 to \$65 an hour.

D. Insurance Package Renewal

Mr. Dorrill noted for the Board's information that all the digital files and important information for the District had been secured and covered with tarps before staff left the office before the storm hit, and everything fared well.

The new insurance documents were received the previous day by Mr. Dorrill, who provided some information on them for the Board. Mr. Dorrill advised them that he had not had a chance to look at the documents thoroughly, but as the premium year begins in ten days, he suggested that the insurance co-op they belong to covers all their insurance needs. If they renew at this time they will be saving \$4,200 over the prior year, with almost a 4 ½ percent decrease in premiums, in part because it was priced by the underwriter before the storm. Mr. Dorrill added that next year property insurance will be much higher. There is also a mechanism through the insurance co-op and the underwriter that can lock in rates for two years.

Mr. Dorrill also noted that he had received an unsolicited proposal from a new, start up co-op.

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This proposal substantially reduced the Worker's Comp policy, which is all tied to a classification code that ties back to a job description, the risk, and the total payroll. What this company did was to reclassify the groundskeepers from road and bridge type employees, which is how they are classified now, to a new category called direct employee-other. Apparently the underwriter will agree to this classification, which will save the District over \$9,248 for Worker's Comp. Additionally, this proposal did not include public officials liability, which they claim is included under general liability. This concerns Mr. Dorrill as it may leave the Board members open to be sued individually, and he has asked this agent to substantiate that his general policy would include public officials liability. If the employees can be legally reclassified, and the general liability policy covers the Board members individually, it may be worthwhile taking a second look at this insurance.

Mr. Dorrill's recommendation to the Board was in the absence of a further clarification on this liability question, he did not feel that this was the year to change insurance companies, especially as the District will be able to lock in this reduced rate for two years, and the fact that there was a time issue involved.

After a further, brief discussion, **on a MOTION Mr. Drum and a second by Mr. Ousley, the Board unanimously approved the Chairman and Mr. Dorrill to explore the two options and get answers to the classification and liability questions, and to make a determination on which co-op to choose by the first of October.**

FINANCIALS

At the end of July the District had \$1,833,000 in cash, and the fourth quarter CSA payment was received in early August in the amount of \$220,000. On any given month \$130,000 to \$140,000 is spent on the operating side, and in ten days the fiscal year will end with a very good cash position, especially in the reserves.

Mr. Dorrill has a call into Stock to see how the District will be compensated for the CSA new contract work for October, November and December as the Master's fiscal year ends December 31. Their 2018 budget will pay the District the entire amount for the year during the month of January. Mr. Dorrill noted that the first distribution from the tax collector is normally received either the week before or the week of Thanksgiving, so the funds will be there to do the work. The income statement showed \$14,000 year-to-date in interest revenue was received from the bank by the end of July. By the end of the year approximately \$18,000 will have been earned in interest, while only \$5,000 was anticipated in the budget for this year. This is due to the District changing banks early in the year.

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Although September will be an expensive month due to the storm cleanup, Mr. Carter's year-to-date expenses were running \$136,000 under budget at the end of July.

Mr. Drum asked about the new three man crew that will be hired, and how much those costs would be. Mr. Dorrill indicated that they had done a supplemental budget on this, and there will be roughly an additional \$300,000 in income to cover this expense.

(Mr. Lee's comments were inaudible.)

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

SUPERVISORS' REQUESTS

A. Horse Monument Condition after Storm

Mr. Drum asked how the Horse monuments fared during the storm, and was advised by Mr. Carter that he had checked them and saw no damage in the footings where they are anchored. The finish held up as well. Staff has arranged for Terry Cole to come and check them as well, and he will also look at the flagpole which is leaning slightly.

Mr. Dorrill noted that the next meeting was going to be held on the 18th of October, which is the same day the new Horse Monument and the new flagpole was going to be dedicated. The United States Capitol flags have arrived, and assuming the new flagpole and lighting is up, the dedication will go forward as planned.

B. New Attorney Interviews

The Board had originally planned to do some interviewing in October, but agreed that they would push this back a month and address it in November. There have been some attorneys indicating their interest as well.

C. Dedication of Mr. Carter and His Crew

Mr. Lee commented on the dedication shown by Mr. Carter and his crew as they worked to bring Lely back in order, and he noted that Mr. Carter has done a fantastic job, and all the damage has been videotaped. Mr. Ousley also spoke to a number of the workers, and they all were doing what they could to help. A couple of barbeques were put together by Mr. Carter to feed the crews, which was appreciated.

(Mr. Lee's comments were very difficult to hear.)

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In response to Mr. **** from Legacy regarding what area FEMA will work on, he was advised that gated communities are responsible for their own removal. They only cover the public right-of-ways.

Mr. Drum asked for the location of FEMA offices, and Mr. Dorrill indicated that they will have several community resource centers located at different spots throughout the county, and bus service will be provided to them.

There was very little property damage in Lely, but the light poles and signs were wind scoured to the point that the black paint was removed and the original green was showing.

The wells are still turned off in an effort to keep the lake levels down, and Mr. Dorrill noted that the Governor of Florida was very impressive with the resources provided to the County. Lely is the only client that Mr. Dorrill has that provides an annual hurricane workshop that goes through a checklist of essential needs, and the only client that he has that provides a generator with a week's worth of fuel, provides water by the pallet for the workers, and generally is completely prepared for a hurricane.

ADJOURNMENT

It was noted once again that the October meeting would be held on the 18th, and a blast email will go out informing everyone if the monument dedication will happen on that day as well.

The meeting was then adjourned at 2:25 p.m. on a MOTION by Mr. Campkin and a second by Mr. Ousley.