

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
REGULAR MEETING OF THE BOARD OF SUPERVISORS
May 16, 2018**

The regular meeting of the Lely Community Development District Board of Directors was held on Wednesday, May 16, 2018 at 1:45 p.m. at the LCDD Maintenance Building.

SUPERVISORS PRESENT: William Lee, Chairman
Gerry Campkin, Vice Chairman
Harold Ousley, Treasurer
Kenneth Drum, Secretary

ALSO PRESENT: Neil Dorrill, Dorrill Management Group, Assistant Secretary
Kevin Carter, Dorrill Management Group
Tony Pires, District Counsel
Freddy Bowers, Operations Manager

INVOCATION/PLEDGE OF ALLEGIANCE

Mr. Dorrill offered an invocation, and the Pledge of Allegiance was recited in unison by the Board.

PUBLIC COMMENT

ROLL CALL

*****Tape began here**

APPROVAL OF AGENDA

With the addition of items 7A, Problems on Lely Island Circle; 7B, Flowers; 7C, Line of Sight Issues; 7D, New door in Maintenance Office; 7E, New place for UPS dropoff and 7F, Lights at Collier Boulevard entrance, **the Agenda was unanimously approved as amended on a MOTION by Mr. Ousley and a second by Mr. Campkin.**

Lely Community Development District – Minutes

May 16, 2018

Page 2

APPROVAL OF APRIL, 2018 WORKSHOP AND MEETING MINUTES

On Page 3 of the Workshop minutes, in the second to last line, “hose” should be “those”.

On Page 5, the last line should delete the words “inaudible section” and add “meter or account”.

The Workshop Minutes were then unanimously approved as amended on a MOTION by Mr. Ousley and a second by Mr. Drum.

On Page 1 of the Regular Minutes, under Public Comment, “Mr. Benson” should be Mr. Patterson”. This name should also be corrected on the third line of Page 2.

The Regular Minutes were then unanimously approved as amended on a MOTION by Mr. Drum and a second by Mr. Ousley.

MANAGER’S REPORT

A. April Community Patrol

The April community patrol summary showed no associated law enforcement report due to the increased security in public and private schools throughout the County. The off duty officers will be back on patrol once school lets out for the summer, probably during the first week in June.

As part of Mr. Bowers’ program, there were three reportable incidents, one involving a seven foot alligator. There were thirty total incidents. There were three suspicious loitering incidents, five trespassing calls associated with illegal fishing, all of which were non residents. There were seven vandalism reports, seven private gate related incidents, one unusual low flying helicopter and five traffic accidents or related assists that occurred on roadways within the District.

In response to Mr. Campkin’s question, Mr. Dorrill indicated that they had a no trespass agreement on file with the Sheriff’s Department, and they cross reference that with their 911 dispatch center. A separate copy of that agreement is maintained in the working files of the East Naples Substation. It is a standard, pre-existing no trespass, so if the access control employees encounter someone fishing, they can advise that person that the area is no trespass, regardless of whether they are residents or not. The default position is then to contact the Sheriff’s Department, and the responding deputy has the ability to confirm that the agreement is on file.

An incident recently occurred where the Sheriff’s deputy seemed to be unaware of the trespass

Lely Community Development District – Minutes

May 16, 2018

Page 3

agreement that is on file, and advised a resident that he could not do anything about the trespasser. Mr. Bowers carries a copy of the agreement, and arrived after the episode had occurred.

B. PA System Quotes

Two quotes were obtained for this system at the Board's request, to be used at the regular monthly meetings of the Board. One quote was for \$3,605 and the other is \$3,400. The quotes are for basically the same work, but that of Gamma Tech was slightly better. Solutions Enterprises would provide eight microphones; seven at the table and one hand held that could be used by audience speakers. Gamma Tech provides a mixer with 12 channels, so microphones up to that amount can be added. It also includes the rack to put the equipment on which would sit right in front of the table and is only approximately 3 feet high. Solutions Enterprises does not include a rack.

Both quotes include four speakers in the ceiling, and again, the intent would be to use it for the CDD meetings only. Staff recommended that the \$3,605 quote from Gamma Tech was the preferred one.

On a MOTION by Mr. Campkin and a second by Mr. Ousley, the Board unanimously approved the purchase of the PA system from Gamma Tech.

C. Irrigation Consumption/History

This schedule was prepared at the request of the Chairman as it relates to water use, both from a source and a distribution standpoint. There have been occasions recently where the District did not have water to provide, as they were pumping more water than they were able to purchase from the County or redirect from their wells in the surface lake to the north.

Mr. Carter has had some valid concerns, as there has never been any real effort to conserve irrigation water in the community.

There is quite a bit of consumption during the day when people are not supposed to be watering, and the primary concern is that the intake wet well at the master pump station will begin to suck air. The equipment, valued at a quarter of a million dollars, could be ruined if this occurs.

Mr. Dorrill advised those present that he would not be opposed to shutting the system down when they are nearing the point where more water is being required than they are able to pump from the lake. Mr. Lee noted that he and Mr. Carter had talked about shutting it down on the weekends, but this problem usually occurs in April and May.

Lely Community Development District - Minutes

May 16, 2018

Page 4

Mr. Lee and Mr. Carter had discussed options to alleviate this problem, and Mr. Lee indicated that watering can be done from 4:00 in the morning until 10:00 the next day. He then looked at starting at 9:00 at night until 5:00 the next morning, and they would break out the 43 communities based on the number of units in any given community. Two, three or four communities would start watering at 9:00. Another two or three would start at 10:00, and another at 11:00, and so on. Everyone would have a certain amount of time to water, and the pressure will be maintained.

Mr. Lee would also like to meet with the landscape companies and get their feedback on this. Then they can talk to the association presidents, and advise them that this has to be done. The results from April are not yet known as they haven't received the County's bill. The source portion of the schedule does not take evaporation into account, but for January, February, March, April and the first three weeks of May they were being asked to deliver two to three million gallons of water per month more than they had the capacity for. This is also tied to the consumptive use permit, which regulates what can be drawn from the wells. All of them are metered, and all of them are read and reported on.

Stahlman is the primary landscape provider at Lely, and Mr. Campkin indicated that in his neighborhood they deliberately spread out the time the water is on in any area, starting at 4:00 in the afternoon. Watering is not supposed to take place on Friday, but staff does water on Friday when the new sod is put down.

It was agreed that the residents needed to be advised of the seriousness of the problem, and the necessity of spreading the watering out during the evening and night hours. Mr. Ousley asked if the CSA customers used more water than those in the CDD, and Mr. Dorrill did not think so as there were 2,000 fewer homes. Mr. Ousley felt that there should be more accountability, as there is quite a bit of water being used.

Mr. Dorrill noted that the controls are all at the master pump station, and they cannot open and close valves remotely. He felt a good beginning point would be to meet with Stahlman and other landscape contractors and the association presidents to see if they can get some better efforts to conserve water. Mr. Dorrill did not want to receive a letter from the South Florida Water Management District advising that they had exceeded their permit allowances for withdrawal and consumption.

The Board will be kept advised on this issue.

D. Notice of Election

The District is required to run a legal notice in the Naples Daily News and report the upcoming

Lely Community Development District – Minutes

May 16, 2018

Page 5

election. There will be an election this fall, and Seats 2 and 4 are open, one is Mr. Lee's and the other is the one vacated by Mr. Fisher earlier in the year. There is a required qualifying period, and in addition the District is required to advise that there are 2,063 registered voters within the boundaries of the CDD as of the record period that ended on April 15th of this year.

E. Surplus Sale

The surplus property auction was held the previous day, and \$37,639 was taken in which is a record for the District. Based on the ages and the schedule of assets, \$10,000 was budgeted as auction proceeds, and the small Kubota vehicles were very popular. A 2009 pickup truck was the single largest item at \$7,011, and the equipment won't be removed from the property until the checks are received.

On a MOTION by Mr. Drum and a second by Mr. Ousley, the final disposition of the assets on the schedule dated May 15th was unanimously approved by the Board.

F. Budget Resolution 2018-2

On a MOTION by Mr. Drum and a second by Mr. Campkin, the Chairman was authorized to sign Resolution 2018-2 for purposes of transmitting the tentative budget and its approval to the Board of County Commissioners for disclosure purposes in the amount of \$3,612,220 which is an increase of \$60 over the previous year's assessment, the intended purpose being landscape replacement attributable to the hurricane, and the next phase of LED lighting conversion.

ATTORNEY'S REPORT

A. Side Yard Encroachment Agreement

This relates to the discussion regarding Mr. Patterson's wish to install a standby generator in a side yard drainage easement. After further research and review of the plat, and communication and conversations with Mr. Cole and Mr. Carter, it was determined that the drainage easement at issue is a 7 ½ foot easement on the side lot of Mr. Patterson's property, dedicated by the plat to the Master Association.

To Mr. Pires' understanding, that side yard easement has not yet been assigned or granted to the CDD. The appropriate action at this point was to have Mr. Patterson go to the Master Association to determine if they would be willing to allow that standby generator to encroach on the easement. If they are amenable to that, the Master could then use that non-disturbance

Lely Community Development District – Minutes

May 16, 2018

Page 6

or encroachment agreement form that provides the ability to have the item removed if necessary and indemnification in favor of the Master, and at such time that the drainage easement is transferred to the CDD, that encroachment agreement and protection would be assigned also.

As a follow up to that, a staff discussion is being held the following Friday to go over this list of properties that Mr. Gelder provided last month, and proposed to transfer by deed to the District. They will also discuss assigning various dedication easements and reservations of easements to the District also. This will make it clearer as to what the District maintains and what the Master Maintains.

(Mr. Lee's comments inaudible.)

As it relates to the various strips of land that are throughout Lely, Mr. Pires suggest that staff should make a recommendation to the Board as to which strips they should take and which should go to the individual neighborhoods. If the District has an easement in place, there would not necessarily be a reason to own it fee simple. He reiterated that it is important to sort through these various strips of land before moving forward on taking ownership.

Mr. Drum's community was interested in a particular strip of land contiguous to the golf course, and Mr. Lee suggested that they determine who owns it first, as it could be Lely Development Corporation, who is not interested in maintaining it. They have the same issue with three lots at Mustang Island, and they entered into an agreement to have an easement to maintain the lots, and Lely Development could take them over any time they wanted.

Mr. Pires noted that the list received from Mr. Gelder was very helpful, and the Board should have copies of it, as they could tell whether the properties that the various associations are interested in are on that list or not. Staff will move forward with discussions on this list, and the Board will be kept advised.

FINANCIALS

The midyear financials showed that at the end of March the District had \$2,950,000 in cash with \$251,000 in payables. Half of the amount is the old payable related to the theoretical attorney's fees attributable to Mr. Bryant, which was included at the request of the auditor. As they approach the first anniversary of Mr. Bryant's death, it was Mr. Dorrill's understanding that the estate has no records of any billable hours, and they cannot gain access into his computer to make that determination. From an accounting perspective, Mr. Dorrill was not sure how long they needed to carry that liability on the books. Mr. Pires will check with one of his partners who works in probate and estate planning about this issue.

Lely Community Development District

May 16, 2018

Page 7

The income statement showed \$160,000 in tax assessments having been received during the month of March, and a small amount will probably be seen in April as well. The delinquent taxes are getting ready to go to auction, where the tax certificates will be sold to investors. Lely will receive their money as a result of the auction, probably during the month of June.

Looking through the various cost centers that Mr. Carter is responsible for, Mr. Dorrill noted that on the field management and landscaping sides there have been a couple of vacancies. This has been a difficult time in the labor market as there is competition for labor, and there are some lapsed salaries.

Every cost center is under budget, and at midyear the total operating expenses were \$185,000 under budget. There are some seasonal purchases for items such as annual flowers and fertilizer, so that gap will narrow somewhat.

About 94 percent of all revenues have been received, and Mr. Campkin noted that the CSA revenues were half of what they should be. Mr. Dorrill explained that CSA fees are billed during the third and fourth quarters. The bills to the County Commissioners for irrigation water are not billed until the District has audited, actual budget figures from the prior year. At the end of March they had not yet received the second quarter CSA check, but has since been received.

The Financials were then unanimously accepted on a MOTION by Mr. Ousley and a second by Mr. Campkin.

SUPERVISORS' REQUESTS

A. Lely Island Circle

Mr. Drum noted that in the vicinity of the lake by Publix there is a large, dead six foot remainder of a tree and asked that it be removed. Mr. Carter indicated that they mow that area, and staff will look at it to determine if it can be removed.

Additionally, there is a lot on the corner of Grand Lely and Triangle Boulevard where there is a line-of-sight issue. There is a downed tree that someone dumped there, and Mr. Drum asked if the owner of that lot could be contacted to get that area cleaned up. Mr. Lee noted that it was owned by Lely Development and they are supposed to maintain it. The residents of Ole and others are trying to get Code Enforcement to come and take a look at it.

Mr. Dorrill will contact Code Enforcement to see if they have assigned a case number to this area, and they will also look at removing the dead tree if it is within the District's easement or adjacent road right-of-way.

Lely Community Development District – Minutes

May 16, 2018

Page 8

B. Flowers

Mr. Drum agreed that many of the flowers had to be removed due to line-of-sight issues, but one of the things the residents enjoy the most at Lely are the flowers. He asked that some flowers be placed in these areas, because the ground cover alone has a sterile look that people don't like. This will be looked at by staff.

C. Line-of-Sight Issues

Mr. Campkin reminded the Board that while the flowers are very nice, the height rule for them is 24 inches. He felt that a major change should be made, and the ends of the islands should be low ground cover and grass, and the flowers should be towards the center where they will not create line-of-sight issues as they grow.

Mr. Carter indicated that as of today the plan is to replant the flowers exactly where they were, and Mr. Campkin asked if they would look at putting them in the center. Mr. Carter indicated that where there were annual flowers, they were keeping them the same. In the areas where there were small trees and bushes planted, those were moved and something lower was planted, such as a ground cover. The summer annual selection is primarily Pentas and Coleus, which are small and colorful. Mr. Carter added that they have done quite a bit of work on the islands, replacing the soil and fertilizing the areas.

Mr. Campkin suggested that they follow up on their discussion to drive around to view the areas with these line-of-sight issues, and Mr. Carter agreed. Mr. Dorrill added that they are receiving a huge amount of flowers the following Monday, and he believed that they would have to retrofit the irrigation system in the islands to replant as Mr. Campkin suggested. The dwarf Pentas should not get as tall as the Begonias did.

Mr. Dorrill also noted that they have engaged a landscape architect who is developing some concept sketches for the Board's review to do more groupings along some of the boulevards. She could also be asked to evaluate the current annual flowerbeds and what they might look like. The median plantings have evolved over time, and one of the big problems was the dwarf Junipers which had to be replaced as they grew too high and developed some disease. They were replaced with the Confederate Jasmine vine which has to be cut back frequently.

(Resident comment inaudible.)

Mr. Carter will contact the landscape architect and ask her to take a look at some of the annual flower beds that are currently in the noses of the islands to see if some of these issues can be addressed.

Lely Community Development District – Minutes

May 16, 2018

Page 9

D. Office Access

Mr. Ousley advised that it is always difficult to get into the office to work with Mr. Carter as there are so many meetings being held in the maintenance building. He suggested that an additional door be put in to Mr. Carter's office so the business of the CDD can be conducted without difficulty when meetings are being held.

Additionally, Mr. Ousley suggested that a one way viewing window be installed in his office so Mr. Carter can see what is going on from his office into that general area.

Mr. Carter thanked Mr. Ousley, and agreed that it was difficult from his perspective as far as the employees who are very respectful, and if they come in during a meeting they don't want to disturb anyone. He does tend to get asked a lot of questions when he is caught in there, which he does not object to, and he definitely believes that a window is a good idea. He felt that the door was a good idea, and makes sense, if it is feasible from a financial standpoint.

Mr. Dorrill felt it would be less expensive to have a door open into an enclosed area as opposed to an exterior metal door retrofit and deal with code matters.

Mr. Lee also noted that Mr. Carter will control the meeting schedule, and no meetings will be held between 11:00 and 1:00 as this is when the employees come in for their lunch. Mr. Dorrill will get someone out to give them an estimate on what it would cost to install a second door in the most feasible way.

Mr. Pires also spoke to Mr. Dorrill about adopting a set of administrative rules to govern the District, and Mr. Dorrill felt that they do need to have some rules and procedures related to the use of the room that they were presently meeting in. Mr. Pires suggested that a workshop be held to address this, and the Board agreed.

E. UPS Lot

Mr. Ousley noted that there have been boxes left all over this area, and a tractor trailer came in one day and left boxes all over the driveway. It is a mess, and a liability issue, and did not feel that it was a good idea to let them use the lot. They are not charged rent for the lot, and Mr. Dorrill noted that they bring some of the modular pods and drop them in, and then bring in golf carts and use the area as a type of sub-drop. They send these carts throughout the community making the deliveries, and another issue would be whether the carts are allowed on public roads.

If there are some safety concerns about the use of this facility, and some of the tight turning areas near the fuel pumps, they should be told sooner rather than later that the Board would like them to look at some other locations.

Lely Community Development District – Minutes

May 16, 2018

Page 10

Mr. Pires indicated that there were a number of issues for liability in this situation, and if the Board is inclined to allow them to continue under a different format, a license agreement should be done where they have insurance, and that the District would be held harmless. It was noted that the use of golf carts does create different hazards, as boxes have fallen out of the carts. It is a good service, but if no one is around during the day in the area, and boxes are left sitting out in front of the pods, they could easily be taken.

Mr. Dorrill indicated that they do have limited use and license agreements at different CDDs when necessary. Mr. Pires added that as it relates to the golf carts, they should be sure that they are carts that are equipped to travel on the roadways, with windshield wipers, horns, lights, turn signals, et cetera.

Mr. Dorrill noted that he will speak to them, adding that he was not sure that there was a better place for them to locate, but they will explore a license agreement that can have certain parameters, such as keeping all materials within the containers and securely locked, and that the District would be held harmless.

F. Lights at Entrance on Collier Boulevard

The Master Association is responsible for the lights at the entrance on Collier Boulevard, and Mr. Ousley asked if Mr. Carter could speak to them about upgrading the lighting on the Lely Resort Sign as it is very dim. Mr. Carter agreed that he would. The District does maintain the landscaping there, and changes the light bulbs if necessary.

PUBLIC COMMENT

Marge ***Heinsell asked about the intersection of Triangle Boulevard and 41, if something is going to be done about the situation with people turning there, and was advised that this was scheduled to be addressed in 2019. Ann Marie Bularzik noted that there had been discussions between the Commissioners on this, (statement inaudible.)

Mr. Lee indicated that the traffic people were looking at creating a taxing district for all the businesses there to address the exit issues. (General discussion inaudible.)

Mr. Dorrill indicated that the County's transportation planner and/or engineer have rescheduled the workshop they has planned with Lely, and are coming in September or October. At that time the residents can get an update on that area.

ADJOURNMENT

The next meeting will be held on the 20th of June, which is also the date that they will have the annual hurricane workshop.

At the following meeting in July Mr. Dorrill may need to participate via speakerphone. Mr. Campkin will also be out of town.

On a MOTION and a second, the meeting was then adjourned at 2:45 p.m. on a MOTION and a second.

The meeting was then briefly reconvened for a public comment.

Mr. ** addressed the Board on the problem with people fishing in the lake behind his house, and someone told him that his neighbor had given him permission to do so. Mr. *** felt that if an exception is made for one person everyone will be allowed.

Mr. Lee advised him that there are no exceptions to this rule, and that this gentleman's HOA should also be involved in advising people of this rule. (This gentleman was very hard to hear.)

The meeting was then adjourned on a MOTION and second.