

1                                   **LELY COMMUNITY DEVELOPMENT DISTRICT**  
2                                   **NAPLES, FLORIDA**  
3                                   **Minutes of the Board of Supervisors Workshop**  
4                                   **May 20, 2020**

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6   A workshop of the Supervisors of Lely Community Development District was held on  
7   Wednesday, May 20, 2020 at 1:00 p.m. at the LCDD Maintenance Building.

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9   **SUPERVISORS PRESENT:**     Gerry Campkin, Chairman (Via Speakerphone)  
10                                   William Lee, Vice-Chairman  
11                                   Harold Ousley, Treasurer  
12                                   Kenneth Drum, Secretary  
13                                   Ann Marie Bularzik, Supervisor, Assistant Secretary

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15   **ALSO PRESENT:**             W. Neil Dorrill, Dorrill Management Group, Manager and  
16   Assistant Secretary/Treasurer  
17                                   Kevin Carter, Operations Manager  
18                                   Tony Pires, District Counsel  
19                                   Freddy Bowers, Director of Community Patrol

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23   **BUDGET WORKSHOP**

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25   **On a MOTION by Mr. Drum and a second by Mr. Ousley, the Board unanimously**  
26   **approved Mr. Campkin’s participation in the workshop via speakerphone due to**  
27   **exceptional circumstances.**

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29   The proposed tentative budget for 2021 was provided to the Board members for their  
30   approval, to establish two things. First, it must be transmitted for disclosure processes to  
31   the Board of County Commissioners by June 15, and it also requires the Board to give  
32   public notice in advance as to the final approval of the budget in August.

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34   On the revenue side, it showed no increase in the assessment for the coming year, which  
35   will remain the same at \$2,502,357. The net number of \$200,000 was noted in  
36   anticipation of people taking discounts for early payment, and the tax collector’s fee will  
37   also come off the top before the money is received by the District.

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39   In response to Mr. Lee’s question, Mr. Dorrill indicated that the Astor and Arlington are  
40   not exempt from CSA billings, and beginning last year their share of CSA costs were  
41   collected through the quarterly receipts from the Master HOA.

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5 Mr. Drum asked if any of the places receiving benefits from the District were in arrears in  
6 their CSA payments, and Mr. Dorrill advised that no one is in arrears as the District is  
7 receiving those funds from the Master HOA. There are two separate third party billings,  
8 the Collier County Commission and the School Board for the elementary school in  
9 Naples Manor.

10 The District bills them with audited numbers, and those numbers do show up on the  
11 yearly audit. Neither of these two entities were in arrears.

12

13 Additionally on the revenue side, Mr. Dorrill pointed out that the projected year end  
14 revenues show that by the end of the year the District will draw down funds from the line  
15 of credit to pay for the street light project. This item had been discussed previously and it  
16 was agreed that they would wait until they were closer to year's end to make this  
17 determination. Additionally, next year's budget shows that money will be transferred out  
18 of the capital reserve to do the major renovation to the pump station which will include  
19 new pumps. New vehicles will also be purchased next year.

20 Mr. Lee noted that this work for 2021 comes to \$489,000.

21

22 Mr. Dorrill compared costs on the expense side for 2020 to what is budgeted for 2021.  
23 Administrative costs, including insurance will increase in 2021 by \$3,000 to \$357,800.  
24 Field Management's budget is increasing by about \$16,000, to \$1,035,000.

25 Landscaping will decrease under supply and commodity, mostly because of fuel costs  
26 going down, to \$45,000 from \$52,600.

27 Water management and draining, which includes aeration, will not increase.

28 Street lighting showed a reduction next year of \$7,000 due to the conversion to LED  
29 lighting.

30 Access control includes the camera installation and roving vehicle, and will increase by  
31 \$6,000 to \$181,000.

32 Roadway services will not increase due to the County's sweeper regularly coming  
33 through and providing this service.

34 Irrigation is one of the biggest values that the community is given. There are roughly  
35 4,000 residents, and the total irrigation cost is \$385,000. The average home pays about  
36 \$80 a year for unlimited access to irrigation water. Part of this is due to the antiquated  
37 pump system which will hopefully be addressed in 2021, and savings are anticipated with  
38 this new, sophisticated system.

39 From a capital improvement perspective the present year has been a busy one in three

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5 ways: the LED conversion, a major streetscape renovation, and the new lake bank  
6 restoration program. Total capital improvements this year were originally budgeted at  
7 \$1,200,000, and \$900,000 is currently forecast, while next year's program will decrease  
8 to about \$568,000. The principal activities will be the pump house renovation and  
9 equipment, a new vehicle and the continuation of the lake bank erosion project.

10

11 The total budget is \$3,997,952. There are a total of 4,439 equivalent units in the  
12 community, 3,139 of which are inside the District boundaries. The remaining 1,300 are  
13 within Lely Resort and are part of the CSA.

14

There will be no increase at all in the assessment rate.

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16 Mr. Dorrill added that the CSA recognizes that the community is now essentially built  
17 out, and \$170,000 in CSA revenues is forecast for this year. For the first time, there will  
18 be no growth in the coming year since the inception of the CSA.

19

20 Dr. Bularzik asked about the ERU number at 3,139.72, and asked for an explanation of  
21 this. Mr. Dorrill explained how this was worked out when the District was created and  
22 the different amounts that are paid by different entities such as residential, golf courses,  
23 and commercial.

24

Dr. Bularzik also asked that an upgrade in signage to the maintenance building be  
25 obtained. Mr. Dorrill felt that it was a good idea, but the road is owned by the County  
26 and that would require a permit.

27

Dr. Bularzik wondered as well if the Cross Connection Program on irrigation checks that  
28 is done every five years is paid for all at once or if money is paid once a year for certain  
29 sections. Mr. Dorrill explained that the purpose is to insure that the irrigation system is  
30 not improperly connected to the drinking, or potable water system, and after discussion, it  
31 was agreed that this item would be discussed further at the regular meeting to follow the  
32 workshop.

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Mr. Dorrill will recheck this item, noting that it will have to be addressed for the current  
34 fiscal year before September. Dr. Bularzik noted that it was her understanding that it had  
35 to be rechecked every five years as possible contamination could take place if there was a  
36 break in a pipe.

37

38 Mr. Lee noted that an increase would be necessary next year to pay off the loan for some  
39 of the capital projects, and Mr. Dorrill indicated that if the Board does decide at the end  
40 of this fiscal year that they need to draw on the line of credit so the start up cash would

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5 not be depleted, then the Board will be asked for some direction at that time to determine  
6 how they wished to handle it. The original thought was to capitalize the street lights and  
7 pay back that debt over ten years, and that money would be moved out of the reserve  
8 fund for the 2021 fiscal year.

9 Mr. Drum asked if taking a draw down every fiscal year was projected, and added that if  
10 money was available it should be used. Mr. Drum asked if Mr. Dorrill could determine  
11 what the reserves will be after these capital projects are paid for, and was advised that  
12 presently the total capital reserves stood at \$1,500,000. Additionally, another  
13 contribution is scheduled before the end of this fiscal year.

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15 Mr. Dorrill then advised those present that at this meeting they will be approving the  
16 budget for purposes of transmitting it to Collier County for disclosure and compliance  
17 reasons. They will also establish that a notice will run indicating that the budget will be  
18 adopted at a public hearing on August 19<sup>th</sup>. If irrigation check charges are needed for the  
19 current year, the money will be transferred from the undesignated funds that have accrued  
20 over time from line items that were under budget, or the contingency fund.

21 **On a MOTION by Mr. \*\*\* and a second by Mr. Drum, the 2021 Fiscal Year Budget**  
22 **was unanimously approved, and the Chairman was authorized to execute the**  
23 **Resolution and establish August 19th as the final public hearing.**

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25 In response to Dr. Bularzik’s question, Mr. Carter advised that Sweetwater Pool Service  
26 was the company that cleans and maintains the horse monument.

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28 A five minute recess was then taken.

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