

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
REGULAR MEETING OF THE BOARD OF SUPERVISORS
OCTOBER 15, 2014**

A regular meeting of the Lely Community Development District Board of Supervisors was held on Wednesday, October 15, 2014 at 1:30 p.m. at the LCDD Maintenance Building.

SUPERVISORS PRESENT: Paul Sullivan, Chairman
Harold Ousley, Vice-Chairman
Robert Fisher, Treasurer (Via Speakerphone)
Kenneth Drum, Secretary
Gerry Campkin, Assistant Secretary and Supervisor

ALSO PRESENT: W. Neil Dorrill, Dorrill Management Group, Manager
Assistant Secretary
Kevin Carter, Dorrill Management Group
David Bryant, District Counsel
Jerry Ellis, Operations Manager

INVOCATION/PLEDGE OF ALLEGIANCE

The meeting was called to order by the Chairman, and the invocation was offered by Mr. Dorrill. The Board then recited the Pledge in unison.

ROLL CALL/APPROVAL OF AGENDA

All Board members were noted to be in attendance, with Mr. Fisher appearing via speakerphone.

The following items were added to the Agenda: 7A, Real Estate Sales; 7B, Horse Agreement; 7C, Banners on Grand Lely; 7D, Speed Monitor; 7E, Pond Discussion, and 7F, Mining Situation.

A MOTION was then made by Kenneth Drum, seconded by Gerry Campkin and unanimously approved to accept the Agenda as amended.

APPROVAL OF MINUTES OF SEPTEMBER 17, 2014 MEETING

On a MOTION by Harold Ousley and a second by Gerry Campkin, the September meeting minutes were unanimously approved by the Board.

MANAGER'S REPORT

A. Fee Analysis

Mr. Dorrill provided this information to the Board regarding the management contract which provided the base fee for himself as well as the different levels of support within the District, for example, Mr. Carter. Mr. Powers, who is employed by Dorrill Management, provides quite a bit of the bond, trust and budget related support for their clients. Mr. Dorrill asked the Board to authorize some additional services in support of the ongoing litigation with Stock Development. There has never been an increase in the base level of services provided by the management contract, and in this particular case it is \$70 per hour for Mr. Powers' work with legal counsel, the auditor, and other litigation related work.

In response to Mr. Drum's question, Mr. Bryant indicated that these expenditures were all related to the litigation. He added that Mr. Powers' work has been extremely beneficial.

On a MOTION by Kenneth Drum and a second by Harold Ousley, the Board unanimously authorized additional charges for analyst services related to the CSA matter at the direction of Mr. Bryant or Mr. Dorrill.

B. Renewal of Group Health Insurance

The information provided to the Board on this group health insurance plan showed the monthly amount of \$417 the previous year, and in the past plan amendments were made to raise the deductible and change the co-pays and prescription benefits. This year there is nothing comparable in terms of changes to benefits, and the proposed increase is going up about \$60 per month per employee, which is a 14 percent increase. Mr. Dorrill noted for the Board that coverage extended to spouses and children was offered, but that it was at the expense of the employee if they chose this coverage as well.

This amount is more than was budgeted for the year and the increase will be about \$10,000 more per year. Mr. Dorrill asked for approval for this group health insurance, but suggested that the Board may want to take this increase into consideration at the time Christmas bonuses are contemplated.

On a MOTION by Kenneth Drum and a second by Harold Ousley, the Board unanimously approved the renewal of the group health insurance for the coming year.

ATTORNEY'S REPORT

A. Stock Mediation

Mr. Bryant reported briefly on the mediation that recently took place, noting that Mr. Fisher was in attendance representing the Board. Mr. Powers was also present, and his assistance was invaluable to Mr. Bryant.

Stock's attorneys are claiming \$4,000,000 is due to Stock, and at the end of the long day of mediation, it was agreed that the mediation would be continued so Mr. Powers could present the Board's numbers to the CFO of Stock Development to show why the Board believes Stock Development owes it money.

This presentation was done the previous Monday, and Stock continued to claim that money was owed to them, without providing any support to back up that claim. Mr. Powers asked that they provide their documentation to show why money was owed to them, and the CFO indicated that he would have to check with Stock's counsel to see if they would release that information.

Mr. Bryant noted that after discussions with the Chairman and Mr. Dorrill, he would be remiss in not asking the Board to direct him to amend the pleadings and file a counterclaim against Stock for the amount of money they owe the Board. In response to an earlier question by Mr. Drum, Mr. Bryant indicated that if the Board prevails, all the costs awarded by the Court would be received by the Board. Both Mr. Fisher and Mr. Bryant felt that Stock's counsel did not understand the reason the reserve account was created and what its purpose is, and Mr. Fisher agreed that Mr. Bryant should move ahead with the countersuit.

The next mediation is scheduled for two weeks from the previous Monday, and **on a MOTION by Robert Fisher and a second by Harold Ousley, Mr. Bryant was unanimously authorized to move forward with the countersuit against Stock Development.**

FINANCIALS

The next to the last final financial report of the fiscal year was provided to the Board, and at the end of August there was \$1,400,000 in the operating account. Next month the transfer from that account into the capital reserves will be shown. There is \$500,000 in the capital reserve account now, for a total of \$1,915,000 against \$100,000 in payables.

On the income statement, there was an additional CSA payment received in August for the fourth quarter payment. Total year-to-date revenues were \$2,635,000 against a budget of \$2,545,000. Total expenditures as near end approaches are \$2,375,000 year-to-date against a

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year-to-date budget of \$2,347,000. The over budget amount of \$29,000 is solely attributable to the failure of a primary irrigation pump that occurred early in the year, and some additional electrical work related to the well field expansion.

Overall the District is in a year-to-date positive position by \$61,000 of revenues over expenses. Mr. Campkin had been asked by the HOA members what their CSA fee was going to be for the coming year, and Mr. Dorrill indicated that they were aware that the Board meets with them every year to set that up for the coming fiscal year, but he has been unable to get anyone to return his calls on this matter.

On a MOTION by Robert Fisher and a second by Harold Ousley, the Financials were then unanimously accepted by the Board.

SUPERVISORS REQUESTS

A. Sales of Real Estate

In response to Mr. Drum's question about when the 90 percent build out would be reached for the Master HOA to be turned over to the residents, Mr. Campkin indicated that the HOA budget he saw indicated that it would occur when 4,350 homes were built. The total number of homes that can be built is 4,850, so they are very close to the 90 percent required at 89.7 percent. In terms of occupied homes, the percentage is 81.

Mr. Bryant indicated that the numbers he had gotten from Mr. Gelder were different, and indicated that they were somewhere between 80 to 83 percent.

At Mr. Drum's suggestion, Mr. Bryant indicated that he would be glad to write Mr. Koester and ask him when they intend turnover to happen. The Board agreed, and this will be done.

B. Horse Agreement

Mr. Drum then asked when the agreement with Stock on the second set of horses would change, and Mr. Bryant did not think that was tied to the 90 percent, but to the number of years, and that there was approximately 18 months left before the Board could make the decision as to their placement.

C. Grand Lely Medians

The question was asked as to ownership of the medians on Grand Lely Drive, and Mr. Dorrill indicated that they had been turned over to the County. Mr. Drum asked who would have to approve an easement for the horses, and was advised that the County Commission would, or

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it could be done under a right-of-way permit.

D. Banners on Grand Lely

Mr. Drum noted that while the banners on Grand Lely Boulevard are up and look very nice, there is nothing on Grand Lely Drive. Mr. Ellis indicated that there were a few, but not as many, and as Grand Lely Drive is divided, the banners are only located on the District part of that road.

Mr. Dorrill felt that with the correct permit, they could probably put banners on the part of the road that is outside of the District all the way to Rattlesnake Hammock, and he will follow up on this for the Board. He will also look into the “lifestyle” banners previously hung by Stock as some are in bad shape and should be removed.

E. Speed Indicator

Mr. Ousley related that recently a speeder near his home went around a UPS truck, and was traveling perhaps 60 to 70 miles per hour. He almost hit a woman on a bike, but did not seem to even notice her. He expressed deep concern over the fact that the speeders make the roadway so dangerous, and wondered if they were working on getting the speed indicator device.

Mr. Dorrill indicated that arrangements have been made through the East Naples Substation to have it installed as soon as it comes out of the repair shop. Mr. Carter is following up on this.

F. Lake Issues

Mr. Campkin advised the Board that after last month’s meeting he, Mr. Carter and Mr. Ellis had taken a look at the lake in his community, and found that it was in bad shape. Unfortunately it has not improved since that time, and at the Master Association meeting the previous day he was asked by the presidents of two associations about their lakes, as theirs had problems as well. Mr. Campkin has asked an environmental specialist from the City to come out and offer suggestions.

Mr. Ellis indicated that they have not sprayed that lake at all as they were asked not to, but the problem is now in the lake centers, and they need attention. Mr. Campkin will continue to monitor the problem.

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G. Mining Operations

The previous month the Board had discussed the amount of fill being taken out of the ground by Stock Development, as well as the slope limits being four to one. Mr. Sullivan asked if that had been checked into, as he was concerned about the stability of that slope. Mr. Bryant has asked Code Enforcement to look into this, and indicated to them the concerns of the Board. They advised Mr. Bryant that it was under investigation, and Mr. Bryant felt that they were waiting for engineering reports from Stock.

Mr. Bryant advised the Board that he will report to them as soon as he hears from Code Enforcement.

PUBLIC COMMENT

Bill Leigh from Mustang Island Circle spoke to some issues with the lights and light poles, and also with the lack of a proper budget for the Master Association and what seems to be a lack of information as to where the money is going. *** Could not hear this gentleman well, please check.***

ADJOURNMENT

The November meeting will be held on the 19th and a workshop on lighting at Lely will be held at 1:00 before the regular meeting. **The meeting was then adjourned at 2: 15 p.m. on a MOTION and a second.**