

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
REGULAR MEETING OF THE BOARD OF SUPERVISORS
JUNE 15, 2016**

The regular meeting of the Lely Community Development District Board of Supervisors was held on Wednesday, June 15, 2016 at 1:30 p.m. at the LCDD Maintenance Building.

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

ALSO PRESENT: W. Neil Dorrill, Dorrill Management Group, Manager
Assistant Secretary /Treasurer
Kevin Carter, Dorrill Management Group
David Bryant, District Counsel

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was offered by Mr. Dorrill, and the Board recited the Pledge of Allegiance.

A. Public Comment

There were no comments received from the public at this time.

ROLL CALL/APPROVAL OF AGENDA

All members were in attendance, with Mr. Fisher participating via speakerphone. Items 4B, Auction Bids; 7A, Alligators, and 7B, Legal Issues, were added to the Agenda. **With those additions, the Agenda was unanimously approved on a MOTION by Mr. Drum and a second by Mr. Fisher.**

APPROVAL OF MAY 2016 MEETING MINUTES

As it relates to the Workshop minutes, on the sixth line from the bottom on the first page, "RCDD" should be "LCDD. **On a MOTION by Mr. Ousley and a second by Mr. Drum, the Workshop minutes were then unanimously approved as corrected.**

As it relates to the Regular Meeting minutes, on Page 5, in the 11th line from the top, the last sentence in that line should be stricken.

Lely Community Development District – Minutes

June 15, 2016

Page 2

On a MOTION by Mr. Lee and a second by Mr. Ousley, the Regular Meeting minutes were then unanimously approved as corrected.

MANAGER'S REPORT

A. May Security Patrol Reports

Mr. Dorrill's office has been working on updated policies and procedures for in-house staff, and they will be presented at the July meeting. Additionally, Mr. Dorrill will be providing a short term budget to complete this fiscal year.

At Mr. Campkin's request, Mr. Dorrill summarized for those present what has been done in the past several months to enhance the District's security patrol functions. The Sheriff's Office is now providing enhanced residential patrolling on staggered days at different times, and the contract with Wackenhut has been cancelled.

The Sheriff's Office patrols at Lely three to four days a week on four hour shifts, and does provide some traffic enforcement. For the month of May there were 82 stops by a Sheriff's deputy for no tag, no headlights, failure to stop at stop signs, speeding, no proof of insurance or registration, and in one case, no valid driver's license. They also responded to an alarm at a residential unit and remained there until the home watch service arrived.

As part of the new budget, the Board agreed that going forward they will probably do a combination of District residential patrols in the District's marked vehicle, as well as the Sheriff's Office armed patrols. Mr. Campkin added that the advantage of having the Sheriff's deputies is that they have legal authority to do what is necessary, while the Wackenhut, or G4 employees did not. Additionally, the local roving patrols work within the standard hours, while the Sheriff patrols can come very early and stay late into the evening.

In response to a question from a member of the public, Mr. Dorrill indicated that the 911 operators are aware of the special duty patrols at Lely and when they are here, and will contact those deputies if they receive a 911 call from Lely during those times.

The hours of coverage at Lely are roughly the same as it was under G4, but the Sheriff's deputies work four hour shifts as opposed to the eight hour shifts with G4. These deputies are armed and drive patrol cars, and are present at Lely as late as midnight.

B. Auction Bids

The combined bid tally for the surplus equipment came to \$25,336.20, which was well over the \$15,000 budgeted amount. Four vehicles and one mower were auctioned this year, and Mr. Dorrill explained to those present why this surplus equipment auction is held, and the

Lely Community Development District – Minutes

June 15, 2016

Page 3

requirements of Florida Law as it relates to these sales by Lely, which is a subdivision of the State Government. The Board's five year capital improvement plan is funded on a pay as you go basis, with no money borrowed or equipment leased. Money is set aside in a special capital reserve for these purchases. When a piece of equipment reaches the end of its useful life, it is made available to the public at a sealed, silent auction.

Mr. Dorrill asked the Board to award the bids to the highest individual bidders, and the money from the auction goes into the general revenues as an offset to the property taxes, helping to keep that tax rate low in Lely.

On a MOTION by Mr. Ousley and a second by Mr. Lee, the 2016 auction bids were awarded on the unanimous approval of the Board.

ATTORNEY'S REPORT

A. Irrigation Water Agreement

This agreement with the County is in place, which specifically includes the language requested by Mr. Bryant and the Board, which states that the County reiterated its commitment to provide quantities of irrigation quality water to the user, consistent with historical monthly averages over past three years, and they further reiterated their commitment not to accept new customers to the IQ water system until all current major users, including Lely, has been given the opportunity to increase their allocation up to the irrigable limit for their respective property. This language assures the Board that to the best of the County's capability, the District will be receiving the IQ water that has been historically received.

Mr. Campkin added that the District gets its water from two sources, the wells and the water purchased from Collier County, and Mr. Bryant explained the difference between residents inside and outside the Lely CDD, and how water is obtained by those outside of the District, but within Lely Resort.

Mr. Bryant added that the CSA issues will be addressed at mediation the following week, and hopefully will be resolved. Mr. Fisher will also attend this mediation.

Mr. Campkin explained that if a line is drawn from the 951 entrance up to the Classics Golf Club, then left and down as far as the Flamingo Golf Club, and then north towards the high school, every community to the south and west of that line is inside the CDD. Every community to the north and east of that line is outside of the CDD.

A resident asked as a resident of Lakoya 5, what her governmental body was, and was advised that her individual HOA handles the lake, grass and those sorts of things. However, she benefits from the CSA agreement which is how Lakoya obtains irrigation water.

Lely Community Development District – Minutes

June 15, 2016

Page 4

In response to a question from a resident of Lakoya 1 as to who maintains their lake, Mr. Carter advised that all the lakes in Lakoya are treated for algae and the littoral plantings are taken care of as well by the District, with the exception of a few that have signs that do not allow treatment to be done. Mr. Bryant has written a letter to counsel for Lakoya advising him that the signs are preventing the care and maintenance of certain lakes, and no one is sure who put them up. Counsel for Lakoya 1 is looking into this.

All the lakes that are being sprayed for algae are part of the surface water management permit from the South Florida Water Management District. All of these lakes are tied together, and are all part of the irrigation and maintenance program.

In response to a question from a resident, Mr. Bryant indicated that none of the golf courses are part of the irrigation agreement, as they have their own wells, pumps and systems. A few other parcels of land were mentioned by those present and Mr. Bryant advised them as to whether they were inside or outside of the Lely CDD.

Mr. Campkin explained how the water flows throughout the system and excess water drains over a dam, under US 41 and into Rookery Bay. Depending on the severity of a storm and the tides themselves, a storm surge could move water into Lely.

A few people will speak with Mr. Carter after the meeting involving the cattails around their lakes in Lakoya. Mr. Dorrill explained that these littoral plantings are installed to help control erosion around the lake banks, as well as helping to remove nutrients coming off residents' lawns. He added that Mr. Carter will determine if the plants the residents are referring to are indeed cattails, which are a nuisance plant and would be removed, or giant bulrushes and salt thrush, which are beneficial, but are sometimes confused with cattails.

Mr. Dorrill also explained that the CDD held the operating and maintenance permit for the drainage and water management system for all of Lely Report. Through the litigation it has been found that many of the lakes or the easements to the lakes were never properly conveyed from Stock Development or the Master HOA to the District which has the permit for the entire community. As the permit holders, a drainage easement or lake maintenance easement should exist that gives the District the legal right to do what is required for operation and management of these lakes. This is an issue that will be addressed and hopefully resolved at mediation.

FINANCIALS

The seven month financials were provided to the Board, and showed \$2,785,000 in cash at the end of April, \$1,000,000 being in a reserved capital account in accordance with the Board's fiscal policy for capital improvements. The remaining \$1,800,000 in operating revenue also

Lely Community Development District – Minutes

June 15, 2016

Page 5

included an emergency contingency, against only \$110,000 in payables.

The income statement showed \$118,000 in delinquent assessments having been received in April, and \$234,000 in miscellaneous revenue, primarily the CSA fees. Year-to-date those fees are \$683,000 against a year-to-date budget of \$444,000.

On the expense side, there were some higher than anticipated legal and litigation support expenses, as well as an unanticipated increase in the County's utility rates for irrigation water. There are also many front loaded expenses, such as insurance premiums, mulch, flowers and property appraiser and tax collector fees. Despite those costs, year-to-date expenses were \$1,576,000 against a year-to-date budget of \$1,700,000, or \$140,000 under budget on the expense side.

Total budget for the CDD was \$2,757,000, and at the end of the seventh month all of the revenue has been received, including a check for \$10,000 from the tax auction sale.

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

SUPERVISORS' REQUESTS

A. Alligator Discussion

Mr. Ousley suggested that the alligator trapper who services Lely visit the meeting in November to educate the Board and the public on the dangers they represent and the speeds that they are capable of. The trapper will bring a small alligator with him for a demonstration of their abilities. Six alligators have been trapped in Lely during this year. Mr. Dorrill will schedule this visit for the November meeting.

PUBLIC COMMENT

Mrs. Holly ***Vilate from Mustang Villas advised the Board about ownership of the road in their community, and wanted them to know what is occurring with the Master HOA. They have hired an attorney to make an ownership determination as there is nothing in their HOA documents or the Lely Master documents on the issue, which prevents them from budgeting for maintenance. As their community is ageing, they expect their road to require maintenance within the next five to eight years.

Mr. Drum asked if they could petition the County to take ownership of that road, and Mrs. ***Vilate indicated that this has been done, and that they have the paperwork indicating that it was signed over to the County 23 years ago; however, it was never recorded.

Mr. Bryant suggested that Commissioner Fiala be contacted, and was advised that this has also

Lely Community Development District – Minutes

June 15, 2016

Page 6

been done. Their attorney hopes to have an answer for the residents of Mustang Villas within a week or so, but in any event these residents will have to wait until the Master HOA documents are redone, so they feel that they are at a standstill.

Mrs. Pat Wager from the Classics asked what additional work the CDD does for the communities other than provide irrigation water and lake maintenance. Mr. Dorrill indicated that the CDD is primarily the public works entity for the community, which includes all of the street lights, streetscape, landscaping, ownership, maintenance and operation of the Lely Freedom Horses Memorial at 41 and eventually the second Freedom Memorial off of Collier Boulevard. The CDD does all of the lake spraying and security patrols, which includes extra law enforcement patrols. The Classics owns and maintains their own street lights as it is a private, gated community. The County owns all of the non gated or public streets.

If a private, gated community wished to have streetlights installed, then they could petition the CDD Board and pay a higher assessment to have them put in. The County otherwise is going to require that community to create its own taxing district. A resident indicated that she lives on Panther Trail, which has no streetlights at all and is very dangerous at night. Mr. Dorrill advised her that if this is private property, then it would be the responsibility of their individual HOA. Mr. Dorrill suggested that she show him where the street is located on the map after the meeting to verify whether it is publicly or privately owned.

Mr. Ousley added that if a homeowner association outside of the LCDD votes 100 percent to join the CDD, they can do that if they meet a few requirements.

A resident asked if the Board could provide an update on the new Freedom Horses, and was advised by Mr. Dorrill that he recently met with representatives of Stock Development who indicated that they are developing some concept sketches and site plans. It is their intention to develop something for the new Freedom Horses within the next year. Mr. Dorrill asked to receive copies of what they develop, and was told that they are planning to place the horses in the median off of Collier Boulevard as it gets to its widest point.

Mr. Dorrill also indicated that the horses were being stored in the maintenance building where they were presently meeting, and that he would be happy to show them to anyone who was interested after the meeting.

Mrs. Wager asked if any information was available on the hotel that may go in across from Stock Plaza. Mr. Lee indicated that it has been taken off Stock's website where it was first noted, and no further information has been posted.

A brief discussion was held among those present regarding developer owned roadways and when a bond is released and the road is approved by the County, the developer gets that

Lely Community Development District – Minutes

June 15, 2016

Page 7

money back. Additionally, in order to get the bond money back, the residents have to approve it with their Board.

A resident asked if the Board was aware of the rash of break-ins of garages and cars in the Verandas, which is a very big problem. She added that when a fire alarm went off next to her apartment no one came to check on it, and she ultimately called the fire department to check on the alarm. Mr. Dorrill advised that the Sheriff, who attended a workshop at Lely a few months earlier had indicated that but for doors being left open and cars unlocked, there is no crime in Lely, and that it was the responsibility of the homeowners to have someone check on their apartments when they were not in residence.

ADJOURNMENT

The July meeting will be held on the 20th starting at 1:00 with the Hurricane Workshop, and followed by the regular meeting.

On August 17th the Public Hearing will be held to consider and adopt the 2017 Budget along with the regular monthly meeting. **The meeting was then adjourned at 2:30 p.m. on a MOTION and a second.**