

**LELY COMMUNITY DEVELOPMENT DISTRICT  
NAPLES, FLORIDA  
REGULAR MEETING OF THE BOARD OF SUPERVISORS  
April 19, 2017**

The regular meeting of the Lely Community Development District Board of Supervisors was held on Wednesday, April 19 at 1:50 p.m. at the LCDD Maintenance Building.

**SUPERVISORS PRESENT:**

William Lee, Chairman  
Robert Fisher, Vice Chairman and Legal Liaison  
Harold Ousley, Treasurer  
Kenneth Drum, Secretary  
Gerry Campkin, Supervisor

**ALSO PRESENT:**

W. Neil Dorrill, Dorrill Management Group, Manager  
Assistant Secretary /Treasurer  
David Bryant, District Counsel  
Kevin Carter, Operations Manager  
Terry Cole, District Engineer  
Freddy Bowers, Community Service Supervisor

**INVOCATION AND PLEDGE OF ALLEGIANCE**

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

**PUBLIC COMMENT**

A resident indicated that at the Master HOA Annual meeting it was decided that they would not honor the permit from SFWMD to maintain the Ole wastewater system. The ensuing discussion involved in part the Master's ongoing negotiations with the CDD to take on this responsibility, and he asked if this was going to be happening. Mr. Dorrill indicated that he was not aware that the Master HOA had a surface water management or consumptive use permit, but the issue of lake bank erosion has recently been addressed and this will be updated later in the meeting. There have been some discussions at the staff level with Stock on this issue, but it has gone no further.

This resident indicated that the problem at Ole is the water systems need to be cleaned out as there is flooding on the roadway inside Ole every time it rains. Mr. Dorrill indicated that their historical provision dealing with street drainage is that Ole's streets are private and not District or public, and there is no public drainage easements internal to Ole. This matter should be handled between the Master HOA and the individual condominium associations. Celeste is a

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 2***

County road, and the District does have some drainage easements for that roadway, but the internal streets and alleyways in Ole are private. Mr. Bryant received a copy of the letter received from Ole's HOA counsel on this issue, and the Master HOA has the responsibility to keep those storm drains clean.

This gentleman indicated that the HOA is then providing false information, and indicated that any help the HOA could give in supporting Ole's case would be very much appreciated. Mr. Bryant added that the HOA does not have a permit, but a responsibility of the dedication when the creation of Ole came about, whatever the development order was. The responsibility for the underground stormwater systems for all the private streets was dedicated to the Master HOA. The responsibility for the cleaning along Celeste is probably the District's.

Mr. Drum asked how the Water Management District was involved, and Mr. Dorrill indicated that there would have been a construction permit issued at the time Ole was built, and once construction was completed and the engineer certified that it was built in accordance with the design and construction plans, the permit would have been conveyed from a construction status to an operating status. It is presumed that at this point the Master HOA became the operating entity under the permit, but the CDD has no involvement in that. Again, the CDD does routinely maintain the system along Celeste.

**ROLL CALL/APPROVAL OF AGENDA**

All Board members were in attendance at the meeting.

The following items were added to the Agenda: 7A, Sprinklers; 7B, Lake Banks; 7C, Landscaping Line-of-Sight issues and 7D, Lely Horses. **On a MOTION by Mr. Fisher and a second by Mr. Ousley, the Agenda as amended was then unanimously approved.**

**APPROVAL OF WORKSHOP AND REGULAR MINUTES OF MARCH, 2017**

As it relates to the Workshop minutes, **on a MOTION by Mr. Ousley and a second by Mr. Drum, the Workshop minutes were unanimously approved as presented.**

As it relates to the Regular meeting minutes, **on a MOTION by Mr. Ousley and a second by Mr. Fisher, the Regular Meeting minutes were unanimously approved as presented.**

**MANAGER'S REPORT**

**A. March Sheriff and Community Patrol Reports**

Mr. Dorrill noted that as it is peak season, the report was much busier than usual, which he felt was a good thing, meaning that the interaction between Staff and the Sheriff's Department is

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 3***

what the Board wishes it to be, and that staff is doing their job.

There were 35 traffic stops by the Deputies for which warnings were issued for a variety of reasons, including no headlights or tag lights, running stop signs, careless driving and excessive speed. There were nine written traffic citations that had fines, but no arrests.

On the Community Patrol side there were 58 different incident reports, including trespass and/or fishing notices, and most people generally comply with the Patrol's requests. There have been some late season burglaries occurring in another District in North Naples, which apparently are occurring in high end communities, of which Lely is one. The Sheriff was at a meeting at Pelican Bay the previous day, and asked people to be particularly vigilant, especially of people in their rear yards around lakes and golf courses. One of the complaints at Lely was of a suspicious person in the rear yard with a clipboard, which was probably Mr. Cole's employee who was doing an evaluation of the lake banks, but this is an indication that people are reporting things that are out of the ordinary.

The non-emergency number at the Sheriff's Department is 252-9300, but if someone is seen in an area where they clearly should not be, staff is encouraging that a call be made to 911.

The incidence of crime in Lely is very low, but it is best to leave it to the Sheriff's Department if someone is unsure about a possible trespasser.

Other unusual activity included teenagers parking in the dog park late at night and vagrants asleep on the benches adjacent to the Lely Freedom Horses. Mr. Dorrill asked Mr. Carter to make arrangements for the other two members of the Community Patrol to be at the meeting around 2:30 so the Board can meet them and put faces to the names. Mr. Dorrill indicated that these men are very busy and are doing their jobs. They also assist the Sheriff with traffic, and will stand by with vehicles that are broken down until the authorities arrive. They also do secondary traffic assistance for cars that are parked in unusual situations, such as when people leave their hatches or doors open all day.

**B. Recommendation to Authorize Surplus Property Disposition**

Staff is preparing for the annual surplus property auction, and Florida law requires Mr. Dorrill to convey to the Board the various pieces of equipment that have been declared surplus in order to schedule the auction.

**On a MOTION by Mr. Fisher and a second by Mr. Ousley, the designated equipment was unanimously declared surplus for the 2017 auction.**

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 4***

C. Update on Lake Erosion Survey and Schedule

This item was to show the Board further detail on the engineering study that is being done on the lake banks in conjunction with the District's civil engineer. Mr. Dorrill is trying to document the level of erosion in the lakes that the District is responsible for, either as a result of owning them or through yet to be decided compensation from the Master HOA. The Board was provided some information, but at that point no decisions were required. A broader discussion on this issue will be held the following month at the budget workshop, as it does involve some funding implications.

Mr. Cole provided a spread sheet summary of the lake erosion analysis report to the Board members. There are 95 lakes in the summary, including the blue lakes, which are the responsibility of the Lely Resort Property Owner's Association, according to the plats. The gray lakes are the responsibility of other HOAs, and the yellow lakes are the CDD dedicated lakes for maintenance responsibility according to the plats.

Staff looked at a dozen lakes the previous month and the costs will run about \$700,000 as noted in the summary. After checking all the lakes there were two remaining that could not be confirmed for ownership. Lake Number 4 was briefly discussed as having 2,040 feet of Case 1 repair, and Case 2 and 3 requirements as mentioned last month were also included for this lake as well as additional riprap and drain extensions.

Half of the lakes do not require any repair, but three blue lakes and three yellow lakes were identified that were high priority for repair. To help the Board make decisions going forward, Mr. Cole recommended that if the Board does forward with high priority lake repairs, costs will be approximately \$128,000 in the blue lakes and \$121,000 in yellow lakes, roughly \$250,000, with a recommended budget of \$300,000. There has been money spent already to prepare the report, and there will be additional money spent to prepare the bid documents and then do the inspections of the repairs.

Mr. Drum indicated that speaking for himself, he would like to see the District have a set of standards which would clearly indicate what the District is responsible for, much like what was discussed by Mr. Cole in his previous presentation. This will make it much easier for the District and the various homeowner associations to determine what each will be responsible for.

Mr. Drum also noted that he would like to see the District take responsibility for all of the lakes, which would eliminate the responsibility of the Master HOA. This, however, would require some type of a fair agreement with the Master HOA as to how the transition would occur and the funding. Regarding the funding, Mr. Drum felt that a capital reserve for the maintenance of these lakes should be established. He pointed to the case of Island Walk that spent over

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 5***

\$4,000,000 on their lake as they had a dredging issue, which Lely could also have in the future. A capital reserve account for the lakes would make it possible to continually maintain them, because if the District waits and does nothing, the residents will be faced with a large assessment or a new bond to fund this project. This discussion will have to be had with Stock before the District can move forward with it, but Mr. Drum felt that it was important for the Board to act on this. As it relates to the gray area where the lakes are owned by other HOAs, Mr. Drum suggested that the District should take those over as well, but indicated that this was his opinion.

Mr. Dorrill indicated that Mr. Cole, Mr. Carter and himself had a recent meeting at the staff level with Stock Development, with their chief Financial Officer and the Vice-President of Development and their engineer to talk about these exact things. They are aware that the Board is doing a community wide survey of ownership, public drainage easements and erosion that the District is going to be funding. As Mr. Drum said, the Board may adopt some standards as early as the May meeting when the update to the Capital Improvement Plan is presented. Mr. Dorrill added that he thinks Mr. Stock understands that through the Master HOA they would be looking for some contributions from them in aid of construction, or they would have to bring the lakes up to the District's standards before the District agreed to take them over. A follow up meeting will be held with them prior to the Board's next meeting to see if some ideas can be drafted on this issue.

Mr. Drum added that in his view there is a difference between erosion and subsidence, and noted that they certainly would not pay for someone's home that was swallowed by a sinkhole. Someone who has a pipe that backwashes their pool and their ground caves in must be distinguished from legitimate erosion issues. He felt that this distinction should be made in the standards that the District will operate under. Mr. Dorrill noted that generally they are focusing their research and survey only within that lake maintenance easement that is public. Anything that happens near a pool or a lanai is on private property and will not be an issue that the District will address.

Mr. Cole added that when they inspected these lakes there were very few cases of what Mr. Drum was talking about, but he understood the concern. He recalls only one case where a pool overflowed and a roof drain was surfacing before it got to the lake, but it was the District's easement. He noted as well that they do install drain extensions if necessary so the flow is not blocked by a tube on top of them. He felt that considering that the community is over 20 years old, it is in very good shape. Mr. Cole was thanked for his attendance, and this issue will be readdressed at the budget workshop the following month.

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 6***

**D. Early Budget Forecast for Grand Lely Extension and Lely Cultural Parkway**

Mr. Carter was asked to give the Board a preview of what the District's responsibilities would be in October regarding landscaping. There have been concerns in the community regarding the two different levels of landscape maintenance between the Master HOA and the CDD, and one of the District's responsibilities going forward will be to assume all the substandard landscape along Grand Lely Boulevard and Lely Cultural Parkway on the north end of 951, currently being maintained by the Master HOA. Mr. Dorrill noted that there is a vast difference between what Mr. Carter is doing with his crews and what the Master has been doing, probably with a low bid contractor.

Mr. Carter has identified the operating costs for a new, full time crew targeting these areas, and then a onetime cost on the capital side. It is in the \$275,000 range and will be billed through the CSA, but the residents should expect a corresponding decrease in their homeowner dues. This item will appear and be discussed in next month's budget discussions. The reduction in the HOA budget will appear in January of 2018.

The Board will begin this work in October, which means that there will be no corresponding deduction for residents for three months, until January of 2018, but Mr. Dorrill indicated that this is the case unless the Master will subsidize those costs, and that conversation will be had with the Master HOA. Mr. Drum added that alternatively the Master would then end the year with a surplus, which could be applied to their 2018 budget, reduce it by that amount and pass the savings on.

Mr. Bryant commented on the amount that Mr. Carter had come up with for this additional work, noting that when this was first discussed during the settlement negotiations it was much higher than this amount, and Mr. Bryant attributes this reduced number to Mr. Carter's ability to cut the amount to what was needed and to get the best work for the best price. He felt that this worked out much better than anticipated. Mr. Lee added that he had spoken to Mr. Carter several times, and that there are larger lawnmowers coming in that will reduce labor time.

The crews will be brought in ahead of October first for training and organization.

Allegro is the current contractor for the HOA, and Mr. Drum asked if there was any chance of meeting with this company and perhaps give them a settlement to leave immediately. Mr. Dorrill did have a concern about their ongoing work as well, as they will know that their contract is not being renewed. He suggested that this conversation on early termination of their crews would be a good discussion to have with Stock, and possibly have them hire the District a quarter early under a separate payment mechanism.

The Board members discussed the fact that initially it will be costly to bring these areas up to

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 7***

the desired level, as sod will need replacing, trees will have to be trimmed, and other assorted remedial work will need to be done. Mr. Drum felt that if they waited until October to take over the work, even more money will have to be spent, and Mr. Dorrill agreed, and will have that discussion with Mr. Stock to see if they are willing to consider an early termination.

In response to a question about when Stock anticipates completing the development of Lely, Mr. Dorrill indicated that the parcel on Rattlesnake Hammock Road has to be sold, and the statutory turnover process begun with the final audit to make up whatever subsidy is required, then he expects that Mr. Stock will be ready for turnover.

In response to Mr. Lee's question as to how long Mr. Stock would be able to keep the 4,500 unsold units in the PUD, and could he take those with him after turnover and sell them off to other developers, Mr. Bryant indicated that he could not, as those units are geographically tied to this part of the parcel and part of the Lely GRI. Mr. Lee added that Stock sold several units to Treviso Bay for development, and he has other areas that he wants to develop. Mr. Bryant indicated that his development order is already established as to what he can build on Rattlesnake, as well as where the Hawthorne Project is.

\*\*\*\* inaudible portions

Mr. Dorrill advised that there is a process within the County's Comprehensive Plan that is called a transfer of development right process, but Mr. Bryant would have to do some research to see if it is tied to control. Mr. Dorrill felt that at the time Stock plats or sells his final parcel in Lely, that would vacate his ability to trade or sell these theoretical units that will never be built here.

**INTRODUCTIONS TO ACCESS AND COMMUNITY PATROL STAFF**

Mr. Bowers, the Supervisor of Community Service, introduced Bob Shaw, who works on the weekend and has quite a bit of experience with security. He is very good with documentation, and stays on top of things. He worked for AT&T and Xerox in sales for several years, and currently does Security at Naples Community Hospital in downtown Naples. Alban Shuapi does a great job on second shift through the week, keeps a good eye on everything and doesn't let anything get out of line. He served in the military for 17 years and knows what he is doing as well. Mr. Bowers also advised those present about his background, indicating that he had worked in corrections for several years in North Carolina, and then was hired by the Collier County Sheriff's Department, then moved on and did work for almost every security company in the area as well as private investigation. He loved being in the Lely Community and indicated that it was an honor to work here.

Mr. Dorrill noted that he was not convinced when Mr. Drum initially suggested employee

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 8***

security, but he did not think that the Board or staff could be any more pleased with the level of professionalism, activity and documentation that these men have provided, and they have received many positive comments from the residents as well. He added that it is the quality of the individuals that were hired, as this is a difficult industry with many problems.

The men were thanked for their appearance and the work they are doing.

**ATTORNEY’S REPORT**

Mr. Bryant advised the Board that for the first time in a long time the Board is not involved in any litigation, and the most recent litigation has been settled in full.

He also indicated that he had thanked the Sheriff as well as Lt. Mulholland for their appearance the previous month at the meeting,

Mr. Lee suggested that a letter be sent to Growth Management to ask them to return, perhaps for a special meeting, when they finalize the Triangle Boulevard plans so they can let the Board know what they are doing.

**FINANCIALS**

The end of five months financials were presented, and the following month it will be midyear and Mr. Dorrill indicated that the report then will be a bit better information wise, but the balance sheet showed \$2,100,000 in cash at the end of five months against \$148,000 in payables. \$1,250,000 of that cash amount was in the capital reserve account.

The income statement showed that almost \$40,000 was received during the month of February in tax assessments, and year-to-date revenues are at about 89 percent. There is a small issue there as property taxes become delinquent on April first, and Mr. Dorrill expects to see at least another \$40,000 noted in the next set of financials as people pay their taxes at the end of March.

Mr. Dorrill pointed out the last line as Miscellaneous Revenue on the revenue statement, which is the CSA income. Year-to-date the figure is below budget, but part of that was trying to reconcile the final second quarter counts as a result of the lawsuit settlement. The second quarter CSA payment was received on April first in the amount of \$221,000 and has been deposited. The difference between the first and second quarters is the administrative markup that was abandoned as part of the settlement so that everyone is paying the same assessment. Next month’s financials will show the CSA Revenues being fully funded through the second quarter, and ahead of budget.

There was nothing notable on the expense side, although contractual services were a little high

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 9***

due to repairs and street lighting, and some associated work that was not anticipated but budgeted.

Year-to-date operating expenses were almost \$109,000 below budget, which Mr. Dorrill again feels speaks to Mr. Carter's skill in what he is doing on the operations side to save the District money.

**On a MOTION by Mr. Drum and a second by Mr. Fisher, the financials were unanimously accepted as presented.**

**SUPERVISORS' REQUESTS**

**A. Sprinklers**

Mr. Drum expressed concern about Allegro, which has sprinklers going at 10:00 in the morning, and reclaimed water goes out into the roadway and sprays the cars as they go by, leaving white spots. He felt that this was a public relations issue as it does irritate people. Mr. Drum also noticed that in his area the sprinklers are on at 9:00 at night, and water sprays all over the place. Every resident in his neighborhood knows that you can't run sprinklers until early in the morning, or at least after 10:00 p.m. It is a problem and something should be done about it. Mr. Lee indicated that he had spoken to Mr. Carter about this, as most of the watering is done between midnight and 4:00 a.m. He starts his at 10:00 at night to beat the heavy demand on water later in the evening.

Mr. Campkin agreed, adding that water was all over the road on Lely Resort Boulevard the other day, and felt that the timing needs to be looked at. Mr. Dorrill will check it out, and advised the Board that the same problem exists at Pelican Marsh adding that there has only been two inches of rain at that District since October the 15<sup>th</sup>. As a result, everyone's landscape company is doing everything they can to circumvent these limited windows for irrigation, and sometimes the system has a hard time maintaining the desired pressure as so many people are watering at the same time.

Mr. Dorrill reminded those present that the Everglades are on fire, they are experiencing a draught, the lines are full of snails, and the water is being used as quickly as the District is able to buy it. He is, however, sensitive to the problems with watering during the day, and staff will follow up on that. They do have the ability to shut the system down in the middle of the day, but that is not something they are ready to do yet. Lely has not yet been unable to get their required minimum from the County, but Mr. Carter felt that they were quickly approaching this point.

***Lely Community Development District – Minutes***

***April 19, 2017***

***Page 10***

**B Landscaping/Line-of-Sight Issues**

Mr. Campkin noted once again that if you are in a smaller, lower car you cannot see around the landscaping in the medians, as the plants and flowers have grown so high. There is flat grass in the middle, and Mr. Campkin felt that it should be the other way around, with flat grass at the ends of the medians where you need to be able to see what is coming. The large, flowering plants can then be in the middle where they are not causing line-of-sight issues. The Jasmine is particular difficult, as it is being trimmed, but it continues to get higher and higher.

Mr. Campkin asked that staff take a serious look at this, as it continues to be a problem. Mr. Dorrill noted that the begonias had done extremely well this year, but Mr. Carter is preparing to pull them as they are getting ready to rehabilitate the beds and plant the summer annuals, which will primarily be lower level plants. Mr. Dorrill noted as well that they will discuss redoing the beds to address that line-of-sight issue. During the budget discussions they will also be addressing removing and replacing the diseased Queen Palms.

**C. Lely Horses**

Mr. Ousley asked about the possibility of Mr. Carter refurbishing the new horses so they will look like the original ones. Mr. Carter indicated that the new ones were waxed, and Mr. Dorrill explained that copper and bronze turn black in the South if left untreated. The US 41 horses are chemically treated and waxed in order to keep them sealed. As they begin to treat and wax the new horses they will begin to have a richer color and will begin to resemble the 41 horses.

**D. Request for Salary Survey**

Mr. Lee asked that information be provided at the May meeting on salaries for employees and what is being paid in other Districts to make sure that Lely has comparable salaries. Mr. Dorrill will provide that information next month. Mr. Ousley also felt that Mr. Carter should be given some discretion on salaries for his foremen, and the security salaries will be looked at as well.

**PUBLIC COMMENT**

A resident suggested that one of the problems with the new horses is the lighting, which is too low and does not hit the tops of the horses at all. Mr. Lee indicated that the lighting was designed by Stock Development, (inaudible section) and the lighting will be less shallow as time goes on.

*Lely Community Development District – Minutes*

*April 19, 2017*

*Page 11*

**ADJOURNMENT**

With the reminder that the May meeting was to be held on the 17<sup>th</sup>, starting at 1:00 with a workshop, **the meeting was adjourned on a MOTION by Mr. Ousley and a second by Mr. Fisher at 3:00 p.m.**