

**LELY COMMUNITY DEVELOPMENT DISTRICT  
NAPLES, FLORIDA  
Minutes of the Board of Supervisors Workshop  
May 17, 2017**

A workshop of the Supervisors of Lely Community Development District was held on Wednesday, May 17, 2017 at 1 p.m. at the LCDD Maintenance Building.

**SUPERVISORS PRESENT:** William Lee, Chairman  
Robert Fisher, Vice-Chairman & Legal Liaison  
(Via Speakerphone)  
Kenneth Drum, Secretary  
Harold Ousley, Treasurer  
Gerry Campkin, Supervisor

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

**BUDGET WORKSHOP**

Mr. Dorrill opened the workshop for the tentative 2018 Budget. A full Board was present, with Mr. Fisher participating via speakerphone, The Board members were provided an informational sheet in advance, and Mr. Dorrill advised them that this was a worst case scenario budget, but is compliant with the CSA obligations to assume responsibility for landscape maintenance for all common areas in the community. This would include the extension of Grand Lely, Lely Cultural Parkway and the landscape berm and buffer along all of North Collier Boulevard within the community.

Mr. Carter has prepared a budget that does contemplate a new, three man crew and some associated capital improvements to include a trailer and a vehicle, one additional mower and associated costs for fertilizer and chemicals. The increases can be noticed on the field management side of landscaping.

Mr. Dorrill asked for direction from the Board regarding the capital reserve fund, which is presently at 1.2 million dollars. While this new program is not specifically budgeted, he asked the Board if they wanted to recognize some of that money in lieu of what will probably be a 10 percent increase assessment. Mr. Lee indicated that he had discussed this with Mr. Bryant the previous day, and wondered if the District should just pay for it

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and have the Master Association collect the same amount of money next year for the maintenance of all that area, and reimburse the District accordingly. (Inaudible sections of this discussion.)

Mr. Drum expressed concern that somehow the Master Association would develop a life of its own, and if the cost was added to the CDD Assessment, everyone would be paying for it. (Overtalk) Mr. Drum felt that if it were put into a budget and the assessment goes up by 10 percent, that will cause a political problem. Mr. Lee agreed, and noted that this is why the Master Association should collect it.

Mr. Drum indicated that his experience with the Master HOA is they reduce the assessment by the amount of the surplus every year. If that is done, at some point a 25 percent increase may have to be imposed. In Mr. Drum's view, not charging does not work because at some point you end up with the problem of trying to catch up to where you should have been. He added that many residents still do not understand the difference between the Master Association and the LCDD, but they do understand 10 or 15 percent increases, so either way it's difficult.

Mr. Campkin felt that for the rest of the year the status quo should remain until they know what the Master Association is going to do. Mr. Ousley agreed and felt they should let it ride and not raise the assessment this year. The amount collected in CSA fees will be slightly lower this year because the CSA settlement no longer allows a surcharge, but it does contemplate a further increase in the assessment. The amount noted in the budget for these fees is a forecast, but does take the increase into account.

The Board discussed these options, including not putting in the contemplated budget the Grand Lely Extension and other areas, but to keep the status quo and not have to raise the assessment. (Inaudible section, overtalk) During the course of the year Mr. Carter will have the chance to determine the costs for the extra work and the attendant costs such as fertilizer and chemicals. Mr. Campkin once again indicated that the felt things should remain status quo until it is determined what the Master Association is going to do. The other Board members agreed.

Mr. Drum then asked if anything had been done about buying out the company presently doing landscaping to see if they could be replaced earlier, and secondly, he wondered what kind of shape the landscaping that the District is taking over is in. Mr. Dorrill indicated that the landscaping in these areas was in very poor shape. Mr. Carter indicated that the landscaping is probably 30 percent weeds at this point and quite a bit of work and

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replacement will have to be done. (Mr. Lee's comments were inaudible.)

The discussion on early buy out of the landscaper presently doing the work has not yet been discussed with them, and Mr. Dorrill added that this would be a negotiation point in return for whatever revenue they would have paid a private contractor. There was concern about the work this contractor would do once it was discovered that they would not be working past October, and they are paid \$31,000 a month, which Mr. Lee felt the District should be reimbursed for if they take over the work three months early.

Mr. Drum asked Mr. Bryant if there was anything that could be done as far as the present contractor's failure to perform the work properly, but Mr. Bryant felt that it may lead to litigation which would be to no one's benefit. If Mr. Dorrill and Mr. Carter could discuss taking the work over early with Mr. Stock who would pay the District the fees that they would be paying to the old landscaping company, that would be the smartest way to handle it.

Mr. Ousley asked if there was any way to keep the contract with this landscaping company and have Kevin supervise them, and was advised that they did not want Kevin supervising another company, nor did they wish to have this low bid contractor doing the work. Mr. Dorrill indicated that staff would be willing to reach out to them and ask if they would be amenable to an early termination, and if they would be willing to collect their fees through the Master Association budget for this work as they are presently. He also noted that he is required to send a copy of the approved budget to the County by the 15<sup>th</sup> of June per the statute. If for some reason Mr. Stock is not willing to collect the money for the work and pass it through to the District, the LCDD is still obligated to begin that work in October. He did not feel that Stock was involved in landscape maintenance, as they are just working for final development in Lely, and perhaps would not dispute the LCDD taking over the work early.

The Budget must be approved and sent to the County, but then there is another time frame, in which if the assessment is increased by only \$1.00, 3,000 first class mail notices must be sent to all residents. Unfortunately the Legislative language creates enormous confusion for those receiving these letters, and Mr. Dorrill would rather move forward with an amended budget today and take these costs out of the District assessments, and see if a different method of payment can be determined for work that is outside of the CDD but part of the CSA Agreement.

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Mr. Lee suggested that the Master Association could be advised that if they don't want to collect the money, then the District does not want to do it. Mr. Bryant reminded the Board that as of October 1 the landscaping is the CDD's responsibility.

Mr. Dorrill indicated that he does not have the authority to send an assessment notice to someone who lives in the Classics, and Mr. Bryant reiterated that the best way to go about it would be for Mr. Dorrill to discuss this with Mr. Kocses and Mr. Gelder, and indicate to them that the CDD will take over the landscaping, the Master will terminate the old landscapers, and then pay the pro rata share for the remaining months. Then, on October 1, the District will take over the landscaping as agreed to. This will bring the CDD additional time to improve the condition of the landscape, which will be helped by the summer rains. If the District is doing it, they will know it is being done right, but if it is left to the present landscapers, and they know that they are leaving on October 1, it will continue to go downhill.

Mr. Campkin clarified that this will be a different discussion from the collection of Master CSA fees, and will be a discussion between the CDD and the Master Association on the landscaping.

Mr. Bryant indicated that the CSA collection won't change from what it has always been, which is the Master Association collects it and sends it to the CDD. That covers the landscaping,

Mr. Campkin indicated then that the separate discussion is who does that landscaping work, which is the discussion that must be had with Mr. Gelder and Mr. Kocses. The budget will go back to what it originally was, taking out the budget that Mr. Carter put in for the extra crew requirements. Mr. Dorrill indicated that it will come out of the CDD assessment, and that portion will be backed out of the CSA revenue, and a new revenue will be created, called Master HOA. In this way, everyone, regardless of where they live, will pay to maintain these landscape areas that are outside of the District's legal boundaries.

**On a MOTION by Mr. Ousley and a second by Mr. Drum, the Board unanimously approved the contingent budget on a tentative basis without the increase in the assessment, with a new revenue contemplated from the Master Association, and an appropriate transfer for the contemplated base level of capital improvements.**

For those scheduled capital equipment replacements, Mr. Dorrill still felt that the cash should be budgeted in the amount of \$400,000. The assessment would be kept the same, and a budgeted transfer would be shown. If the Board decides to do the lake bank

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restoration, which will be a third of that amount at \$150,000.

Mr. Dorrill will revise the Budget, transfer it to the County, and in the interim he will have the previously noted conversation with Stock on early termination of the present landscaping company, with payment, and an ongoing collection for Master Homeowners' contract landscape coming from the Master Association.

The assessment next year will be the same as it is this year, giving a CDD the chance to work out what needs to be done, and get a better understanding of the nature of what is required for this work by that time.

Mr. Campkin asked if there were any other changes in the Budget that needed the Board's attention, and Mr. Dorrill indicated that there were some minor adjustments. The new money, the \$350,000 in particular is for capital outlay for fertilizer and chemicals, labor, and mulch.

**On a MOTION by Mr. Drum and a second by Mr. Ousley, the Chairman was authorized to execute the approval Resolution and to establish August the 16<sup>th</sup> as the official adoption public hearing on the unanimous approval of the Board.**

A five minute recess was then taken.

