

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
BUDGET HEARING AND REGULAR MEETING OF THE BOARD OF SUPERVISORS
AUGUST 19, 2015**

The Budget Hearing and regular meeting of the Lely Community Development District Board of Supervisors were held on Wednesday, August 19, 2015 at 1:30 p.m. at the LCDD Maintenance Building.

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

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

ROLL CALL

The meeting was called to order by Mr. Campkin, and **on a MOTION by Mr. Ousley and a second by Mr. Drum, Mr. Fisher's participation via speakerphone was approved.**

All other members were in attendance.

APPROVAL OF 2016 BUDGET/PUBLIC HEARING

Mr. Dorrill opened the public hearing, indicating that the \$2,757,988 2016 budget was workshopped on two different occasions, and the amount of the non-ad valorem assessments remain unchanged from the prior year at \$2,017,188. The number of parcels has increased by ten units over the prior year, which reduces individual assessments by \$5.00.

A correction will be made on the number of Mustang Island units to 185. Mr. Dorrill will also verify the number of units at Palomino with Alice Carlson who is the roll administrator.

The total budget on the expense side is \$2,757,988, an increase of \$60,000.

Mr. Dorrill then asked if there were any questions from the public, and there were none.

On a MOTION by Mr. Ousley and a second by Mr. Lee, the public hearing was closed on a unanimous vote.

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On a MOTION by Mr. Ousley and a second by Mr. Lee, the Board unanimously approved and authorized the Chairman to sign Resolution 2015-3 adopting the final General Fund Budget of the Lely Community Development District for 2016.

On a MOTION by Mr. Drum and a second by Mr. Lee, Resolution 2015-4 levying a maintenance assessment within the Lely Community Development District for fiscal year 2016 at \$2,017,188 as contemplate in the proposed final budget was unanimously approved by the Board.

The Board members then reviewed the Capital Reserve Budget and analysis. New utility vehicles were purchased this year, and some of the older vehicles listed will be replaced with the newer ones.

Mr. Dorrill advised that the District had projected approximately \$277,000 in contemplated expenses or projects for the coming year, including four vehicles that are scheduled to be replaced for \$100,000 and associated landscape machinery and equipment, rebuilding of two surface well systems, and the next phase of the street lighting program.

Mr. Drum asked how it can be shown beyond 2025 when the money will be available to pay for the replacement of certain infrastructure. Mr. Dorrill will share some cash flow tests prepared for the next five years, and beyond that, he will have to do further analysis to determine if the cash flow will be available for a large infrastructure items, such as the storm drains.

Additionally, inspections were done on some of the original storm drains and catch basins, and they were found to be in very good shape.

There will be \$1,000,000 in the capital reserve fund at the end of the year, and Mr. Dorrill suggested that a separate workshop could be held this year to look far enough into the future to determine cash flow for the next 15 years.

Thus far no money has been budgeted anticipating the District's responsibility to construct the hardscape for the new Freedom Horses monument, and that will need to be discussed as well.

Mr. Bryant suggested that a special fund be set up with funds from the capital reserve fund in the event that this must be paid for by the District. The 2009 agreement between Stock and the CDD will expire on October 1, 2016. If Stock has not acted by that time, the costs to develop the site and place the horses will then be split between the two entities. The two possible options for their placement have been previously agreed to, and the Board discussed ownership of various tracts of land and the easements involved with them.

After further discussion, the Board agreed that Mr. Dorrill would do the paperwork to facilitate this budget change, which will be resubmitted to the Board as a regular agenda item.

On a MOTION by Mr. Drum and a second by Mr. Lee, the Board unanimously approved the 2016 Capital Reserve Budget plan as presented with the modifications as discussed above. The Budget Hearing was then concluded.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was offered by Mr. Dorrill, and the Pledge of Allegiance was recited in unison.
A . Public Comment

Ann *** from Mustang Island Circle has spoken with the State DOT and the temporary channeling of traffic at 41 and the Horses will begin in September. In February of 2016 a traffic flow study will be undertaken for the new commercial development on Triangle Boulevard to determine if changes must be made in that area.

APPROVAL OF AGENDA

With the addition of items 7A, Letter to Editor, and 7B, Water Permit, **on a MOTION by Mr. Ousley and a second by Mr. Drum, the Agenda was unanimously approved as amended.**

APPROVAL OF MINUTES OF JULY 2015 MEETING

On a MOTION by Mr. Ousley and a second by Mr. Drum, the July meeting minutes were unanimously approved as submitted.

MANAGER’S REPORT

A. Recommendation to Approve 2016 Audit Engagement Letter

The Phillips Harvey Group submitted their proposed engagement letter with no increase of fees, to remain at \$16,000.

On a MOTION by Mr. Ousley and a second by Mr. Drum, the Board unanimously approved the authorization for renewal of the Phillips Harvey Group for the 2015 Lely CDD audit.

B. Update on Street Lighting Project

The LED fixtures for Phase 1 of the street lighting project are to be received within the week, with the poles to be delivered around the first of September. The project commencement is scheduled for the 7th of September with completion in three weeks. This first phase will cover approximately half of the work to be done.

Mr. Lee added that the entranceway will be lit up with poles that are a bit higher with better illumination, which will make it much brighter than it presently is.

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C. Update on Park Bench Installation

Right-of-way permits have been obtained and should be received within three weeks. The project will begin around September 15, and will be completed within 21 days.

D. Gate Valves

As designated by the permit, two gate valves had to be installed to close out the well field project in order to isolate different surface water sources and close those valves under certain conditions. A cost quote of \$10,011.60 has been received from Aqua-Matic Irrigation for the two valves and associated labor.

On a MOTION by Mr. Ousley and a second by Mr. Drum, the Board unanimously approved the expenditure of the above mentioned amount for the installation of the gate valves.

Mr. Drum asked if the water system in the District was secure enough to insure that no unlawful connections could be made to it. Mr. Stock has been advised that he is not authorized to do a hot tap for pressurized water in his new commercial development, and will have to enter into an agreement with the District for his irrigation needs if he wishes to use the system. Mr. Bryant indicated that two letters have been written to Stock's attorney to that effect.

E. Drainage Inspection

As noted previously, a physical inspection of the storm drains was conducted the previous week by the engineers, who examined some of the oldest systems in the community. A field summary was provided to the Board, which showed some small cosmetic work needed and the widening of an inlet. Very little build up of sediment was noted. A camera inspection will be done in early spring to check for any cracking in the pipes.

ATTORNEY'S REPORT

A. Resolution

Mr. Bryant advised the Board that this Resolution will make them fully compliant with new Statute 286.0114 as it relates to the public's right to speak at a meeting. A comment prepared by Mr. Bryant will be included in future agendas indicating that the public is encouraged to participate in the meetings. Mr. Bryant noted that this Board has been fully compliant on this issue in the past; however, this will protect them against any challenge in the future.

On a MOTION by Mr. Ousley and a second by Mr. Drum, the Board unanimously approved the adoption of this Resolution.

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B. County Water Agreement

Mr. Bryant briefly advised the Board of the letter recently sent to the County regarding the water agreement with them, indicating that the District is prohibited by Statute to have a lien against them in the event their bill is not paid. The County Attorney has been asked to sign off on this by the Water Department, and the County Attorney has indicated that he is reviewing it and will get back to Mr. Bryant as soon as possible.

FINANCIALS

The third quarter financials showed \$2,074,000 in cash, \$700,000 of which is in the reserve account. A final transfer will be made into the reserve before the end of the fiscal year.

Payables stood at \$96,000.

Year-to-date, the income statement showed \$11,000 being received during June just in advance of the certificate sale, and included penalties that were paid. The \$24,000 received under miscellaneous income is the County's annual payment in support of the drainage benefits they receive. Total revenues for the month of June were \$35,500. Over 95 percent of the non-ad valorem income has been received.

Total operating expenses through the end of this period were slightly higher than budgeted at \$42,000, primarily due to the unbudgeted electrical repairs on pumps and motors and expert witness fees for litigation purposes.

The changes the Board made in July regarding the new line item for legal expenses will be shown in the following month's financials.

On a MOTION by Mr. Ousley and a second by Mr. Lee, the financials were unanimously accepted by the Board.

SUPERVISORS' REQUESTS

A. Letter to Editor

Mr. Lee spoke to a letter sent to the Naples Daily News that praised the beauty of Lely and complementing the landscaping. Mr. Lee prepared a small poster including the article and a brief thank you to the excellent staff and landscaping crew who deserve credit for this.

B. Lakoya Water Issues

Terry Cole is preparing an analysis to determine if the amount of water used by Lakoya was excessive, and Mr. Bryant is speaking with some experts as well on this matter. He expects that a report will be available for the Board this fall.

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C. Information on Coyotes

Quite a few of these animals have been seen in the Lely CDD area, and Mr. Campkin received some information from the Miami Fish and Wildlife Department on their habits and what to do if you see them in your area. He will provide them to Mr. Dorrill for distribution to the various neighborhoods in Lely.

Steps can be taken to control an aggressive coyote, and Mr. Dorrill asked that he be called if this situation worsens. Mr. Ousley added that he can contact his trapper to handle these problems as well.

D. Loose tiles

There are loose tiles laying on the rooftops of some of Stock's construction projects, and Mr. Dorrill will look into this as a possible danger in the event a storm comes through the area.

E. Mosquito Control

Mosquito Control was contacted and requested to spray along Lely Resort Boulevard. Mr. Bryant noted that the spray tends to kill certain butterflies, and this may inhibit spraying in the future.

PUBLIC COMMENT

There were no comments received from the public.

ADJOURNMENT

The September meeting will be held on the 16th at 1:30, and the meeting was then adjourned at 2:45 p.m. **on a MOTION by Mr. Drum and a second by Mr. Lee.**