

**LELY COMMUNITY DEVELOPMENT DISTRICT  
NAPLES, FLORIDA  
Minutes of the Board of Supervisors Workshop  
January 20, 2016**

A workshop of the Supervisors of Lely Community Development District was held on Wednesday, January 20, 2016 at 1 p.m. at the LCDD Maintenance Building.

**SUPERVISORS PRESENT:** Gerry Campkin Chairman  
William Lee, Vice-Chairman  
Kenneth Drum, Secretary  
Harold Ousley, Treasurer  
Robert Fisher, Legal Aide

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

**CAPITAL RESERVE UPDATE and CASH FLOW ANALYSIS**

The Capital Reserve analysis has been updated at the Board's request, and Mr. Dorrill advised the Board that the information was pulled from the updated depreciation schedules. Some old equipment, including utility vehicles and mowers, has been replaced, and current automobiles were included in the second group that was noted. A new number has been attached to the new horse monument, and as a result of some of the Board's recent discussions, \$250,000 was plugged into that line item for design, engineering and preliminary site work for the future Freedom Horses monument off of Collier Boulevard.

Staff has been working with the District engineers to make sure that the numbers listed for drainage and the culvert conveyance process were appropriate. The improvement numbers for the Lake 17 liner continue to be shown as they were depreciable assets at the time they were capitalized; however, the core samples done approximately a year previously showed that the old clay liner has dissipated and is no longer functioning, although the permeable sides act in an infiltration capacity and ground water continues to seep into the lake.

The three year cash flow analysis shows a current capital reserve of \$1,000,000. Last

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year the annual contribution was increased, and \$250,000 now goes into this fund on an annual basis. The expenses come right off the schedule, at Mr. Dorrill felt that they have a good idea at this point of what the capital expenses are for the other assets listed. He added that the District continues to have an ambitious and fundable program through the end of 2018 based on what the historical revenues have been.

This projection also indicates that the District does not have, and is not apt to have enough cash to come out of pocket with \$1,000,000 or \$2,000,000 for a Freedom Horse memorial, as the Board feels that they probably will not receive a contribution from Stock Development for this. Either an assessment or a short term loan will have to help fund this, and the Board will have these discussions in the future.

As it relates to drainage short term needs, street light renovations, all operating capital, vehicles, pumps and controls on the irrigation side, there is a fundable capital program.

Mr. Carter addressed the Board about the next phase of street light renovations, which will complete the street light conversions to LED. The same vendor will be used to do Phase Two, which included 57 lights, at the same unit price as was quoted for Phase One. The total cost is \$166,782. The engineer did the same lighting study as was done for Phase One to insure the lighting would be appropriate from a safety perspective.

On the aerial that was done for street light placement, Mr. Carter pointed out the entrance at 951 where the construction of Hogan Plaza is going on a street light was lost. The aerial does not indicate that this street light was eliminated due to the construction, but other than that, the existing ornamental lights are all being converted to LED.

The contractor can start immediately upon the Board's approval, and the project will take 90 to 120 days to complete.

Mr. Lee pointed out that in doing the math, the cost per light was \$2,926, which is \$267 more per light than what was charged in Phase One. Mr. Carter will check on this discrepancy for the Board, as he was told that the costs would be exactly the same, and noted that it may be sales tax included in the per unit cost.

Mr. Drum and Mr. Lee spoke to the fact that build out is approaching and there will not be increased funds coming from the CSA agreements for capital improvements, and agreed that the second phase of the light posts should be done this year. In response to Mr. Drum's concern about maintenance costs until build out, Mr. Dorrill noted that the only variable he could foresee in reaching build out was if they contractually assumed the landscaping responsibilities for the north end of the community. Otherwise, there are no

unanticipated capital expenses.

If an accelerated die off of palm trees due to disease or a hurricane takes place, there are not adequate offsets in the capital account to replace them all. In response to Mr. Lee's question, Mr. Dorrill noted that at some point there would have to be an assessment increase as the end of development is reached.

Mr. Drum asked if a bond or other type of assessment would then be necessary to fund, for instance, the infrastructure of the new horse monument, or if it could be financed due to the District's credit rating. He was advised that as a general rule, unless there is a need for \$5,000,000 or more, bonds will be avoided due to the costs entailed. Mr. Dorrill felt that they could get a seven-year amortized, unsecured loan.

The two spots where the new horse monument may be placed were discussed, and they agreed that the Grand Lely and Lely Resort intersection has much more room. Mr. Dorrill suggested that at some point during the second half of the year, the Board may do a request for qualifications or proposals from landscape architects, in conjunction with the engineer. Some concept drawings could be obtained for the Board's review, perhaps without the large water feature that the first one entails. The artist has the right to sign off on any plans that the Board may desire, but Mr. Bryant was not sure that she would be interested at this point, and that will have to be checked into.

To summarize, Mr. Dorrill noted that the plan is updated, which is solvent and projects positive cash flow through the next three years. The equipment and vehicle side of it are fully funded through the five year projection.

The Board can vote on the street lights during the regular meeting, and Mr. Dorrill suggested that sometime after Easter he will ask the Board's approval for soliciting preliminary drawings on the second horse monument.

The Board members agreed that budget discussions for the coming year should include the amount of money being deposited into the capital fund on a yearly basis, as the present yearly amount may not be sufficient.

A five minute break was then taken.

