

**LELY COMMUNITY DEVELOPMENT DISTRICT
NAPLES, FLORIDA
REGULAR MEETING OF THE BOARD OF SUPERVISORS
JULY 20, 2016**

The regular meeting of the Lely Community Development District Board of Supervisors was held on Wednesday, July 20, 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, Operations Manager
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

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ROLL CALL/APPROVAL OF AGENDA

All members were in attendance, with Mr. Fisher participating via speakerphone. Items 4D, Lake Bank Erosion; 5A, Horse Monument; 7A, Holiday Decorations; 7B, Players Cove; 7C, Benches, and 7D, Alligators, were added to the Agenda. **With those additions, the Agenda was unanimously approved on a MOTION by Mr. Fisher and a second by Mr. Ousley.**

APPROVAL OF JUNE 2016 MEETING MINUTES

On a MOTION by Mr. Ousley and a second by Mr. Lee, the June minutes were unanimously approved by the Board. (Any corrections? No audio)

MANAGER'S REPORT

A. June Security Patrol Reports

Mr. Dorrill shared the June Patrol reports there were several warnings and citations. Patrol will continue next month.

B. Enhanced Community Patrol

The draft post orders for the Enhanced Community Patrol were shared. Staff is in process of interviewing potential employees with a tentative start date of September 1, 2016. The Collier County Sheriff's Department will also continue to be used as a hybrid approach.

C. Street Light Accident

Some LED lights will be ordered to keep in stock as they may not be readily available if needed at a moment's notice. Two street lights were hit by vehicles. One on Lely Resort Blvd and one on Lely High School Blvd. Both are being replaced. Insurance claims were filed for both. However, Lely Resort Blvd repair cost is less than the deductible, but Lely High School Blvd. exceeds the deductible.

D. Lake Bank Erosion

Two gentlemen from the Mustang Island Community were present at the meeting to address their issues with the Board. Mr. ***Spitzer indicated that he had been contacted by three residents who are very concerned about the erosion on the lake behind them and wanted to do some riprap work to prevent this erosion from getting worse, adding that this was done by another resident in the community for the same problem. Mr. Spitzer is asking the Board for approval for the community to do this work.

Mr. Spitzer is meeting with the ARB and the Majors' HOA the following day to get their approval, in order to get this done as soon as possible.

Mr. Bryant noted that there were some problems with this, and indicated that he had spoken with Stacy the previous day and appreciated his involvement. However, he and Mr. Carter had

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looked at the site together, and then spoke to Mr. Cole, their engineer. There is roughly 300 feet of linear shoreline that the riprap would be applied to, and the Water Management District dislikes riprap and has a policy against it. The Board does not have the authority to grant permission for the Mustang Island Community to do this, and if the Water District found out that a parcel of lakefront had been armored without the proper permits, it could require the homeowner to remove the riprap as well as fine them for doing this work without their approval.

The Lely CDD is in the process of extending their water management extraction permit with the Water Management District at this time, and does not have the authority to grant approval for the request, which must come from the Water Management District itself.

In response to Mr. Campkin's concerns about the severity of the lake bank issues at the lake under discussion, Mr. Bryant did not feel that there was imminent danger to the homes and their lanais, but reiterated that in any event the Board could not give their approval without that of the Water Management District first.

Mr. Dorrill added that an amendment to the permit from the Water Management District would be required to harden the lake banks with riprap, and indicated as well that some preliminary guidelines should be set, because if this method catches on and many HOAs start requesting permits, it will be almost impossible to get a permit amendment for riprap or bulkheads or sea walls around entire lakes. Additionally, the State of Florida will require some mitigation, such as littoral plantings.

If the District owns the lake or has a lake maintenance easement, they can work with the HOA to pursue an amendment to allow the riprap. However, in the absence of a CDD policy in this regard, it will be voluntary to include whatever the costs of a permit amendment will be. Mr. Dorrill reiterated Mr. Bryant's concerns that an HOA runs the risk of a notice of violation or a citation for violating the Water Management District's standards.

The Board members agreed that a policy should be put in place regarding lake bank restoration at the Lely CDD. After further discussion, **on a MOTION by Mr. Fisher and a second by Mr. Ousley, Staff was instructed to meet with the District engineer to identify what the design and permitting costs would be, and based on some recent installations, to give the residents who are interested in having this work done some idea of what the linear foot cost would be. Additionally, staff will bring a proposal back to the Board that can then authorize the permit amendment. The Motion passed unanimously.**

At the Chairman's request, Mr. Dorrill explained the Geo-Tube method and how it works, and suggested that he provide pictures of the different methods used and their costs to the Board.

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Mr. Dorrill will get the meeting with the engineer set up to accommodate those residents who are interested in getting this work done as soon as possible.

ATTORNEY'S REPORT

A. Lely Horses Monument

Mr. Stock is having some drawings done for the monument placement, has taken measurements, and has met with Mr. Carter. Mr. Stock indicated at mediation that he wishes to do the installation of the horses, and the process is on track for them to be placed at Grand Lely near Stock's new commercial package.

B. Mediation Report

An entire day was spent in mediation with Mr. Fisher and Jim Powers from Dorrill management participating with Mr. Bryant. Many agreements were reached, and the mediation was continued at 7:00 p.m. in the evening. Mr. Bryant indicated that they are now awaiting a proposal from the Master HOA. Stock agreed at the mediation not to go forward with their claim, and left it with the Master HOA to follow through on their claim.

Mr. Bryant asked the Board for an executive session to freely discuss the mediation and any settlement, and although he had been assured by Stock and the Master HOA that the agreement would be provided to them before today's meeting, they have not yet received it. Mr. Bryant is hopeful that a settlement will be reached, and the Court has set a hearing on the status of the litigation in September.

The executive session must be advertised before the August 17 meeting, and the Board agreed that this would be the best time to hold it, provided the settlement proposal is received.

C. Water for Stock's Commercial Parcels

At mediation, Stock indicated that they had gotten two permits for the two commercial parcels they have developed, both for approximately 13 million gallons a year. Mr. Bryant asked the District's water consultant to look into this, and spoke with him before today's meeting. The consultant pulled the permits and looked at them, and while Mr. Bryant felt that the permits should not have been granted as the District has the Master permit, he was advised that the Master permit overlays those two parcels and their projected use, and that the Water District should never have awarded them. They could be challenged, but after a lengthy discussion with the consultant, Mr. Bryant does not recommend that they be challenged as it would not be worth the litigation effort.

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Mr. Fisher felt that a strongly worded letter should be sent to the Water Management District indicating the Board's opinion that this should never have been done. Mr. Bryant suggested that rather than challenging the State on it, that a letter be written to Stock's attorneys indicating that the permits should not have been granted and that the Board is considering challenging them unless the mediation issues are resolved. Mr. Fisher agreed that this should be done.

Mr. Drum asked if this issue would come up again in the future, or if these are the last of Stock's commercial developments. Mr. Bryant noted that it would only be for areas where an applicant wanted to put in their own well for their own irrigation needs. He added that he did not know of other future commercial developments contemplated by Stock that were not within the District.

Mr. Bryant assumed that once the well dug by Stock for their commercial development was put into use, that they would no longer be using the District's water.

Mr. Bryant and Mr. Fisher agreed that this mediation was much more cordial than the previous one, and there appeared to be a willingness to get the issues resolved, and suggested that it would serve the Board to have the settlement be conducted from a business perspective.

Mr. Bryant will include a request in his letter to make sure that Stock disconnected from the District's transmission system at this commercial development.

FINANCIALS

The seven month financials showed cash of \$2,667,000 against \$278,000 in payables at the end of the month.

The income statement showed \$6,600 on the revenue side received during the month of May from delinquent property taxes sold at the auction. This brings the total revenue to 96 percent of budget for the year, recognizing that the difference would be the amount of money taken in discounts, or isolated incidents of people paying their taxes quarterly.

Total revenues year-to-date were \$2,625,000 against a total annual budget of \$2,757,000. The third and fourth quarter CSA revenues are still to be received, which will have the District finishing the year with over \$1,000,000 in CSA revenues.

Mr. Dorrill noted once again that on the expense side the legal and litigation support expenses were over budget. Additionally the horticultural dumpster year-to-date expenses are over budget, and he will check with Mr. Carter to make sure that there was no miscoding in that line item. Total expenses despite the overages at the end of seven months were \$2,000 under budget, year-to-date expenses were \$1,480,000.

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Mr. Lee asked what the uniform expenses consisted of, and Mr. Dorrill was not sure if new uniforms had been purchased. Mr. Carter felt that the amount needed to be looked at, even though they did have a few new employees.

In response to Mr. Lee's question, Mr. Dorrill indicated that under access control, \$39,000 had been spent at the time of the previous company's termination against a budget of \$80,000.

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

SUPERVISORS' REQUESTS

A. Midsummer Holiday Decorations

Every year some of the flags are lost or taken along Grand Lely Boulevard and Mr. Drum suggested that the Board look into some sort of bunting installed halfway up the light poles so that they cannot be taken. Mr. Dorrill indicated that they can explore some appropriate patriotic alternatives and bring some ideas back to the Board, and agreed that roughly 10 percent of the flags are lost every year.

B. Players Cove

Mr. Lee indicated that at the Players Cove meeting the previous day at the maintenance building, their Board complimented the District Board on how nice everything looked with the repainting. Mr. Bryant also noted that Players Cove had moved the crosswalk to the opposite side, which seems to be working well.

C. Benches

Mr. Drum asked if any additional benches were going to be installed along Grand Lely Boulevard as there is a long stretch where there are none. Mr. Carter noted that the next step was going to be to identify some spots where benches were needed, and the Board briefly discussed where they would be placed.

D. Alligators

Mr. Ousley reported that the contract with the trapper had been signed for an additional three years, and he felt that the program was an excellent one. He asked that the trapper be allowed to do an article in the District newspaper indicating where the dangerous spots for alligators are, and what the safety program entails. He also felt signage would be appropriate. Mr. Bryant was concerned about putting up signs on one lake and not all of them, but wondered if

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there were any “no trespassing” signs in this area, and when advised that there were, he indicated that the Board may want to think about putting up more of those signs, which are in Spanish and English. He asked the Board to think about this, and it will be discussed further at the next meeting.

PUBLIC COMMENT

Mrs. *** indicated that she is a pet owner, and is very careful to pick up after her pet when she walks it. There are many people who do not pick up after their pets, and she suggested that perhaps containers or stations can be put out to put soiled bags in. This will be taken into consideration.

***Mr. Ousley comments about where the police parked was inaudible.

ADJOURNMENT

The August meeting will be held on the 17th starting at 1:30, and will also include the public hearing for the final adoption of the 2017 budget. **The meeting was then adjourned at 2:24 p.m. on a MOTION and a second.**