

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

11554 Starboard Drive, Jacksonville, Florida 32225-1015

March 25, 2013

Director / Council Secretary
Cheryl Brown
117 W. Duval Street, Suite 425
Jacksonville, FL. 32202

Office of the Council Auditor
Kirk Sherman
117 West Duval Street, Suite 200
Jacksonville, FL. 32202

Re: Harbour Waterway Special District Proposed Budget for Fiscal Year July 1,
2013 to June 30, 2014

Dear Ms. Brown and Mr. Sherman:

In accordance with Ordinance 2010 – 725 E, please find enclosed the District's proposed budget for Fiscal Year 2013 / 2014 for purposes of disclosure and information only. Should you have any questions regarding the enclosed, please contact me at (904) 642-0097.

Sincerely,



Stanley H. Pipes, Jr.
Supervisor and Secretary/Treasurer

Enclosures

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

Proposed Budget
Fiscal Year 2013 / 2014

March 25, 2013

HARBOUR WATERWAY SPECIAL DISTRICT
FISCAL YEAR 2013 - 2014 BUDGET

31-Mar-13

DESCRIPTION	FY 2012/13 ACTUAL (See Note 3)	PROPOSED FY 2013/14 BUDGET	VARIANCE
REVENUES			
Net Assessments - (See Note 1)	\$ 196,500	\$ 197,500	\$ 1,000
HWA Donation	\$ 20,002	\$ -	\$ (20,002)
Net Revenue Note Proceeds	\$ 650,000	\$ -	\$ (650,000)
Carry Forward Surplus	\$ -	\$ 69,353	\$ 69,353
Total Revenues	\$ 866,502	\$ 266,853	\$ (599,649)
EXPENDITURES			
Professional Services			
Legal Services	\$ 19,104	\$ 18,000	\$ (1,104)
Annual Audit	\$ -	\$ 3,000	\$ 3,000
Administrative			
Postage	\$ 50	\$ 300	\$ 250
Legal Advertising	\$ 974	\$ 1,200	\$ 226
Office Supplies	\$ 273	\$ 200	\$ (73)
Meeting Room Rental	\$ 750	\$ 900	\$ 150
Other Administrative Expenses	\$ 360	\$ 360	\$ (0)
Insurance - General Liability	\$ 4,108	\$ 4,150	\$ 42
Other Expenses	\$ 175	\$ 175	\$ -
Interest Expense on Revenue Notes (See Note 2)	\$ 5,835	\$ 19,515	\$ 13,680
Revenue Note Principal Payments	\$ -	\$ 128,000	\$ 128,000
Total Expenses	\$ 31,628	\$ 175,800	\$ 144,171
Canal Maintenance & Dredging Operations			
Dredging Contractor	\$ 751,971	\$ 17,929	\$ (734,042)
Marine Surveyor	\$ 13,550	\$ -	\$ (13,550)
Total Canal Maintenance & Dredging Operations	\$ 765,521	\$ 17,929	\$ (747,592)
TOTAL EXPENDITURES	\$ 797,149	\$ 193,729	\$ (603,421)
EXCESS REVENUES / (EXPENDITURES)	\$ 69,353	\$ 73,124	\$ 3,771

NOTES:

	Num	2012 / 2013 Assessment	2013 / 2014 Assessment
1 Non Ad-Valorem Assessment			
Residential Parcels	105	\$ 210,000	\$ 210,000
Marina - (Tax Exempt Organization)	1	\$ -	\$ -
Easements	7	\$ 5,000	\$ 5,000
TOTAL GROSS ASSESSMENTS	113	\$ 215,000	\$ 215,000
Less Early Payment Discount (avg 3.58%)		\$ (7,700)	\$ (7,700)
Less PA and TC Discount (3.5%)		\$ (7,525)	\$ (7,525)
Less Provision for Parcels in Default		\$ (3,275)	\$ (2,275)
TOTAL NET NON AD-VALOREM ASSESSMENTS		\$ 196,500	\$ 197,500

2 Series 2012 Revenue Note -\$350,000 at 2.80%
Series 2013 Revenue Note -\$326,000 at 2.98%

3 Actual expenses and revenue thru March 31, 2013, forecast
April thru June.

HARBOUR WATERWAY SPECIAL DISTRICT AMORTIZATION SCHEDULE

Principal Balance	\$ 350,000	COUPON	2.800%	Issue Date:	12-Dec-12
Principal Balance	\$ 326,000	COUPON	2.980%	Issue Date:	15-Feb-13

		PAYMENT DATE	INTEREST	PAID PRINCIPAL	TOTAL LOAN PAYMENTS	OUTSTANDING BALANCE
FISCAL YEAR 2012 / 2013	1	12-Dec-12	-	-	-	\$ 676,000.00
	2	01-May-13	(\$5,834.79)	-	(5,834.79)	676,000.00
FISCAL YEAR 2013 / 2014	3	01-Nov-13	(\$9,757.40)	-	(9,757.40)	676,000.00
	4	01-May-14	(\$9,757.40)	(\$128,000.00)	(137,757.40)	548,000.00
FISCAL YEAR 2014 / 2015	5	01-Nov-14	(\$7,909.60)	-	(7,909.60)	548,000.00
	6	01-May-15	(\$7,909.60)	(\$131,000.00)	(138,909.60)	417,000.00
FISCAL YEAR 2015 / 2016	12	01-Nov-15	(\$6,018.90)	-	(6,018.90)	417,000.00
	13	01-May-16	(\$6,018.90)	(\$135,000.00)	(141,018.90)	282,000.00
FISCAL YEAR 2016 / 2017	16	01-Nov-16	(\$4,070.40)	-	(4,070.40)	282,000.00
	17	01-May-17	(\$4,070.40)	(\$139,000.00)	(143,070.40)	143,000.00
FISCAL YEAR 2017 / 2018	20	01-Nov-17	(\$2,064.10)	-	(2,064.10)	143,000.00
	21	01-May-18	(\$2,064.10)	(\$143,000.00)	(145,064.10)	-
			(65,475.59)	\$ (676,000.00)	\$ (741,475.59)	

Harbour Waterway Special District
Branch Banking and Trust Company (BB&T)
Florida Municipal Loan Counsel Bank Loan Program

SOURCES AND USES OF FUNDS

SOURCES:

	12/11/2012	3/1/2013	TOTAL
LOAN DELIVERY DATES:			
LOAN / BOND PROCEEDS:	\$ 350,000.00	\$ 326,000.00	\$ 676,000.00

USES:

HWSD 2013 DREDGING PROJECT	\$ 324,500.00	\$ 325,500.00	\$ 650,000.00
COST OF ISSUANCE:	\$ 25,500.00	\$ -	\$ 25,500.00
ADDITIONAL PROCEEDS:	\$ -	\$ 500.00	\$ 500.00
TOTAL	\$ 350,000.00	\$ 326,000.00	\$ 676,000.00

NOTES: COSTS OF ISSUANCE

	Amount
Financial Advisor Fee	\$ 5,000.00
FMLC Upfront Fee	\$ 3,000.00
Bond Counsel Fee	\$ 12,500.00
Bank Counsel Fee	\$ 5,000.00
Total Fees	\$ 25,500.00

**HARBOUR WATERWAY SPECIAL DISTRICT AND
HARBOUR WATERWAY ASSOCIATION
CONSOLIDATED DREDGING BUDGET**

Description	Proposed FY 2013/14
<i>Canal Maintenance & Dredging Operations</i>	
Marine Surveyor	13,550
Laboratory Sampling Analysis	2,500
Spoil Site Tipping Fee	312,500
Dredging Contractor	1,104,900
<i>Total Canal Dredging Operations Budget</i>	<u>\$ 1,433,450</u>

NOTE:

FUNDING SOURCES FOR DREDGING PROJECT:

HWSD General Funds - (FY 2012/2013 non-Ad Valorem Assessment)	\$ 133,450
HWSD Revenue Note - Series 2012 & Series 2013	\$ 650,000
Harbour Waterway Association	\$ 650,000
	<u>\$ 1,433,450</u>

**HARBOUR WATERWAY SPECIAL DISTRICT
BUDGET SUPPLEMENT
FISCAL YEAR 2013/2014**

REVENUES

Assessments

The District will continue to levy a non ad-valorem assessment in the gross amount of \$215,000 on all taxable parcels within the District to fund General Operating Expenditures and the HWSD 2013 Dredging Project. From the Gross Amount of the non ad-valorem assessment the following amounts are deducted: (1) Duval County offers an early payment discount which averaged 3.58% for FY 2012 / 2013; (2) The Duval County Tax Collector and Property Assessor charges a fee for services rendered in the amount of 2.0% and 1.5%, respectively; and (3) a provision for non-collectible taxes due to parcels in bankruptcy or default. The parcel designated as the Marina within the District is a tax exempt entity.

Interest Income

Excess Funds will be invested in the HWSD interest bearing checking account at BB&T, Branch Banking & Trust Company.

Net Revenue Note Proceeds

The HWSD issued two Revenue Notes totaling \$676,000, which were purchased by BB&T to assist in funding the 2013 Dredging Project. The total fees and legal expenses associated with issuing the Revenue Notes totaled \$26,000.

Carry Forward Surplus

Excess Funds from prior years. The Carry Forward Surplus for 2013/2014 FY is projected to be \$69,353.

EXPENDITURES

PROFESSIONAL:

Legal Services

The District's legal counsel, Lewis, Longman, & Walker, will provide general legal services to the District, including attendance of monthly meetings, review of agreements, contracts, and resolutions.

Annual Audit

The District is required by Florida Statutes to conduct an independent audit of its financial records by an Independent Certified Public Accounting Firm. The District has contracted with Roy Miller & Associates to conduct the FY 2012/2013 financial audit. The Harbour Waterway Association donated funds and paid for all operating expenses incurred by the District prior to the first assessment in November, 2012.

ADMINISTRATIVE:

Postage

Postage includes mailing of notices to the District, overnight deliveries, correspondence, etc.

Legal Advertising

The District is required to advertise monthly Board of Supervisor Meetings, public hearings, and any services required to be advertised for public bidding, i.e. dredging contracts and other advertising that may be required in a newspaper of general circulation.

Office Supplies

This item includes any supplies required during the fiscal year, i.e. paper, file folders, labels, etc.

Other Administrative Expenses

Other Administrative Expenses include fees charged to the HWSD to record, document, and publish all Board of Supervisor meetings and public hearings held by the District; and fees required to host, develop, and maintain the HWSD.org website which provides online access to the District's official documents, including meeting minutes, agendas, reports, resolutions, etc.

Insurance – General Liability

The District's General Liability & Public Officials Errors and Omission Liability Insurance policy is with Florida Municipal Insurance Trust (FMIT) a service provided by the Florida League of Cities, Inc.

Other Expenses

Other Expenses include membership fees, dues and registrations for government agencies, i.e. Florida Department of Economic Development.

Interest Expense

Interest charges on the Revenue Notes secured for the HWSD 2013 Dredging Project, for budget purposes the projected maximum outstanding balance for 2013/2014 FY is \$676,000. Semi-annual interest payments equal to a total of \$19,500 for 2013/2014 FY are scheduled. (See Amortization Schedule)

Revenue Note Principal Payments

Principal Payments on the revenue notes are on a (5) five year term with the first annual payment on May 1, 2014 equal to \$128,000. Refer to the Amortization Schedule for future payment schedule.

CANAL MAINTENANCE & DREDGING OPERATIONS:

Dredging Contractor

The HWSD 2013 Dredging Project will require payments to a dredging contractor to remove up to 60,000 cubic yards of material and pump to a spoil site maintained by the Jacksonville Port Authority (JPA) on Bartram Island Cell "F". Dredging operations began February 1, 2013 and are projected to continue for 150 days. A contract with Jacksonville Port Authority is in place to deposit the spoil material. A contract to dredge a channel 50ft wide by 7,300 feet long through the entire canal system was awarded in December, 2012 to Dredge America, Inc. The total cost of the HWSD 2013 Dredging Project is projected to cost \$1,433,450. The Harbour Waterway Association will fund \$650,000 of the HWSD 2013 Dredging Project. (See summary of consolidated dredging budget for more details.)