

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

11554 Starboard Drive, Jacksonville, Florida 32225-1015

March 28, 2012

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,
2012 to June 30, 2013

Dear Ms. Brown and Mr. Sherman:

In accordance with Ordinance 2010 – 725 E, please find enclosed the District's proposed budget for Fiscal Year 2012 / 2013 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 2012 / 2013

March 28, 2012

HARBOUR WATERWAY SPECIAL DISTRICT

Dependent Special District

Description	Actual FY 2011/12	Proposed FY 2012/13
REVENUES		
Net Assessments - (See Note 1)	\$ -	\$ 209,405
Interest Income	\$ -	\$ 300
Loan Proceeds	\$ -	\$ 350,000
Carry Forward Surplus	\$ -	\$ -
Total Revenues	\$ -	\$ 559,705
EXPENDITURES		
Administrative		
Legal Services	\$ -	\$ 12,000
Annual Audit	\$ -	\$ 2,500
Postage	\$ -	\$ 500
Printing & Binding	\$ -	\$ 500
Legal Advertising	\$ -	\$ 2,500
Office Supplies	\$ -	\$ 500
Web Site Hosting Fee	\$ -	\$ 250
Insurance	\$ -	\$ 4,100
Interest Expense on Loan (See Note 2)	\$ -	\$ 7,015
Other Administrative Expenditures	\$ -	\$ 1,200
Total Administrative Expenses	\$ -	\$ 31,065
Canal Maintenance & Dredging Operations		
Dredging Contractor	\$ -	\$ 515,000
Reserve	\$ -	\$ 13,640
Total Canal Maintenance & Dredging Operations	\$ -	\$ 528,640
TOTAL EXPENDITURES	\$ -	\$ 559,705
EXCESS REVENUES / (EXPENDITURES)	\$ -	\$ -

NOTES:

	Number	Assessment Per Unit	Total Gross Assessment
1 Non Ad-Valorem Assesment 2012 / 2013			
Residential Parcels	105	\$ 2,000	\$ 210,000
Marina	1	\$ 4,000	\$ 4,000
Easements	7	\$ 1,000	\$ 7,000
TOTAL GROSS ASSESSMENTS	113		\$ 221,000
Less Discount and Collections			\$ (11,595)
TOTAL NET ASSESSMENTS			\$ 209,405

2 \$350,000 working capital loan at 4.00% for dredging operations beginning 1/1/2013

3 All expenses incurred by the HWSD for 2011 / 2012 FY were paid by the Harbour Waterway Association as a donation.

**HARBOUR WATERWAY SPECIAL DISTRICT
ANNUAL BUDGET SUPPLEMENT
FISCAL YEAR 2012/2013**

REVENUES:

Assessments

The District will levy a non ad-valorem assessment on all taxable parcels within the District to fund General Operating Expenditures and HWSD 2012 Dredging Project.

Interest Income

Excess Funds will be invested in the HWSD interest bearing checking account at Wells Fargo Bank.

Loan Proceeds

The HWSD has applied for a working capital loan with a \$400,000 line of credit from Wells Fargo Bank to assist in funding the 2012 Dredging Project. It is forecasted the maximum outstanding balance will be \$350,000, subject to the final cost from the dredging contractor. Solicitation for bids to dredge the canal system will occur in July, 2012.

Carry Forward Surplus

Excess Funds from prior years. The Carry Forward Surplus for the 2012/2013 FY is zero.

EXPENDITURES:

ADMINISTRATIVE:

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 arrange for an independent audit of its financial records by an Independent Certified Public Accounting Firm. The District was not required to have an audit for fiscal year 2011/2012 as there were no revenues and no expenses paid by the District. The Harbour Waterway Association donated funds and paid for all operating expenses incurred by the District.

Postage

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

Printing & Binding

Printing and Binding includes board meeting packages, printing of bid forms, preparation and storage of the Districts official records.

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. audit services, dredging contracts, and any 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.

Web Site Hosting Fee

The Web Site Hosting Fee includes 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

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.

Interest Expense

Interest charges on working capital loan secured for the HWSD 2012 Dredging Project not to exceed an outstanding balance of \$400,000, for budget purposes the projected outstanding balance for 2012/2013 FY is \$350,000. Quarterly interest payments shall be required with an annual principal reduction equal to at least \$125,000 until loan is paid out. (See Amortization Schedule)

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.

CANAL MAINTENANCE & DREDGING OPERATIONS:

Dredging Contractor

The HWSD 2012 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 are anticipated to begin in December, 2012 and continue for 120 days. A contract with JPA 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 will be awarded in July, 2012 with an anticipated total cost of \$1,141,000. The Harbour Waterway Association will fund \$626,000 of the HWSD 2012 Dredging Project. (See summary of the forecasted dredging expenses for more details.)

Reserve

Includes a specific amount of funds allocated annually for future operations.

HARBOUR WATERWAY SPECIAL DISTRICT AMORTIZATION SCHEDULE

Principal Balance \$ 350,000 APR 4.000%
Issue Date: 01-Jan-13 Daily Rate 0.000109589

		PAYMENT DATE	INTEREST	PAID PRINCIPAL	TOTAL LOAN PAYMENTS	OUTSTANDING BALANCE
FISCAL YEAR 2012 / 2013	1	01-Jan-13	-	-	-	\$ 350,000.00
	2	31-Mar-13	(3,507.68)	-	(3,507.68)	350,000.00
	3	30-Jun-13	(3,507.68)	-	(3,507.68)	350,000.00
FISCAL YEAR 2013 / 2014	4	30-Sep-13	(3,507.68)	-	(3,507.68)	350,000.00
	5	31-Dec-13	(3,507.68)	(125,000.00)	(128,507.68)	225,000.00
	6	31-Mar-14	(2,254.94)	-	(2,254.94)	225,000.00
	7	30-Jun-14	(2,254.94)	-	(2,254.94)	225,000.00
FISCAL YEAR 2014 / 2015	8	30-Sep-14	(2,254.94)	-	(2,254.94)	225,000.00
	9	31-Dec-14	(2,254.94)	(125,000.00)	(127,254.94)	100,000.00
	10	31-Mar-15	(1,002.19)	-	(1,002.19)	100,000.00
	11	30-Jun-15	(1,002.19)	-	(1,002.19)	100,000.00
FISCAL YEAR 2015 / 2016	12	30-Sep-15	(1,002.19)	-	(1,002.19)	100,000.00
	13	31-Dec-15	(1,002.19)	(100,000.00)	(101,002.19)	-
			\$ (27,059.25)	\$ (350,000.00)	\$ (377,059.25)	

HARBOUR WATERWAY SPECIAL DISTRICT AND HARBOUR WATERWAY ASSOCIATION CONSOLIDATED DREDGING BUDGET

Description	Proposed FY 2012/13
<i>Canal Maintenance & Dredging Operations</i>	
Marine Surveyor	7,500
Laboratory Sampling Analysis	1,500
Navigational Aid Maintenance	2,000
Spoil Site Tipping Fee (60,000 cu yds.)	300,000
Dredging Contractor - (avg \$13.83 per cu yd)	830,000
<i>Total Canal Dredging Operations Budget</i>	<u>\$ 1,141,000</u>

NOTE:

Habour Waterway Special District will fund \$515,000, and
Harbour Waterway Association will fund \$626,000.