

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

11554 Starboard Drive, Jacksonville, Florida 32225-1015

November 30, 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 - **Amended 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 amended budget for Fiscal Year 2012 / 2013 for purposes of disclosure and information only.

The amended budget reflects new information regarding the cost our February 2013 dredging project and loan proposals to finance a portion of the dredging project. Specifically, the loan amount increased from \$350,000 to \$676,000 and the total dredging cost increased from \$1,141,000 to \$1,431,400.

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

Amended Budget
Fiscal Year 2012 / 2013

November 30, 2012

HARBOUR WATERWAY SPECIAL DISTRICT

AMENDED FISCAL YEAR 2012 - 2013 BUDGET

30-Nov-12

DESCRIPTION	ORIGINAL FY 2012/13 BUDGET	AMENDED FY 2012/13 BUDGET	VARIANCE
REVENUES			
Net Assessments - (See Note 1)	\$ 209,405	\$ 203,615	\$ (5,790)
Interest Income	\$ 300	\$ 300	\$ -
Loan Proceeds	\$ 350,000	\$ 650,000	\$ 300,000
Carry Forward Surplus	\$ -	\$ -	\$ -
Total Revenues	\$ 559,705	\$ 853,915	\$ 294,210
EXPENDITURES			
Administrative			
Legal Services	\$ 12,000	\$ 12,000	\$ -
Annual Audit	\$ 2,500	\$ 2,500	\$ -
Postage	\$ 500	\$ 500	\$ -
Printing & Binding	\$ 500	\$ 500	\$ -
Legal Advertising	\$ 2,500	\$ 2,500	\$ -
Office Supplies	\$ 500	\$ 500	\$ -
Web Site Hosting Fee	\$ 250	\$ 250	\$ -
Insurance	\$ 4,100	\$ 4,100	\$ -
Interest Expense on Loan (See Note 2)	\$ 7,015	\$ 5,332	\$ (1,683)
Other Administrative Expenditures	\$ 1,200	\$ 1,200	\$ -
Total Administrative Expenses	\$ 31,065	\$ 29,382	\$ (1,683)
Canal Maintenance & Dredging Operations			
Dredging Contractor	\$ 515,000	\$ 805,400	\$ 290,400
Reserve	\$ 13,640	\$ 19,133	\$ 5,493
Total Canal Maintenance & Dredging Operations	\$ 528,640	\$ 824,533	\$ 295,893
TOTAL EXPENDITURES	\$ 559,705	\$ 853,915	\$ 294,210
EXCESS REVENUES / (EXPENDITURES)	\$ -	\$ -	\$ -

NOTES:

	Number	Assessment Per Unit	Total Gross Assessment
1 Non Ad-Valorem Assessment 2012 / 2013			
Residential Parcels	\$ 105	\$ 2,000	\$ 210,000
Marina	\$ 1	\$ -	\$ -
Easements	\$ 7	\$ 714	\$ 5,000
TOTAL GROSS ASSESSMENTS	\$ 113		\$ 215,000
Less Discount and Collections			\$ (11,385)
TOTAL NET ASSESSMENTS			\$ 203,615

2 \$676,000 loan at 2.80% for dredging operations beginning 2/1/2013

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

Description	Proposed FY 2012/13
<i>Canal Maintenance & Dredging Operations</i>	
Marine Surveyor	10,500
Laboratory Sampling Analysis	1,500
Navigational Aid Maintenance	2,000
Spoil Site Tipping Fee	312,500
Dredging Contractor	1,104,900
<i>Total Canal Dredging Operations Budget</i>	<u>\$ 1,431,400</u>

NOTE:

Habour Waterway Special District will fund \$805,400, and
Harbour Waterway Association will fund \$626,000.

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

SOURCES AND USES OF FUNDS

SOURCES:

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

USES:

HWSD 2013 DREDGING PROJECT FUND DEPOSIT:	\$ 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
Branch Banking and Trust Company (BB&T)
Florida Municipal Loan Counsel Bank Loan Program

AMORITIZATION SCHEDULE

PERIOD ENDING	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE	ANNUAL DEBT SERVICE
5/1/2013			5,332.44	5,332.44	5,332.44
11/1/2013			9,464.00	9,464.00	
5/1/2014	128,000	2.80%	9,464.00	137,464.00	146,928.00
11/1/2014			7,672.00	7,672.00	
5/1/2015	131,000	2.80%	7,672.00	138,672.00	146,344.00
11/1/2015			5,838.00	5,838.00	
5/1/2016	135,000	2.80%	5,838.00	140,838.00	146,676.00
11/1/2016			3,948.00	3,948.00	
5/1/2017	139,000	2.80%	3,948.00	142,948.00	146,896.00
11/1/2017			2,002.00	2,002.00	
5/1/2018	143,000	2.80%	2,002.00	145,002.00	147,004.00
\$ 676,000.00			\$ 63,180.44	\$ 739,180.44	\$ 739,180.44

**HARBOUR WATERWAY SPECIAL DISTRICT
AMENDED 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 2013 Dredging Project.

Interest Income

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

Loan Proceeds

The HWSD has applied for a loan in an amount up to \$700,000 to assist in funding the 2013 Dredging Project. It is forecasted the maximum outstanding balance will be \$676,000, subject to the final cost of the HWSD 2013 Dredging Project. Solicitation for bids to dredge the canal system was completed in November, 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 the loan secured for the HWSD 2013 Dredging Project, for budget purposes the projected outstanding loan balance for 2012/2013 FY is \$676,000. Semi-annual interest will accrue with an annual principal and interest reduction equal to \$145,000 or less until the 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 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 are anticipated to begin February 1, 2013 and continue for 150 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 December, 2012. The total cost of the HWSD 2013 Dredging Project is projected to cost \$1,431,400. The Harbour Waterway Association will fund \$626,000 of the HWSD 2013 Dredging Project. (See summary of the forecasted dredging expenses for more details.)

Reserve

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