

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

Proposed Budget
Fiscal Year 2017 / 2018

March 31, 2017

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

11554 Starboard Drive, Jacksonville, Florida 32225-1015

March 31, 2017

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,
2017 to June 30, 2018

Dear Ms. Brown and Mr. Sherman:

In accordance with Ordinance 2010 – 725 E, please find enclosed the District's proposed budget for Fiscal Year 2017 / 2018 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
FISCAL YEAR 2017 - 2018 BUDGET
CASH FLOW ANALYSIS

31-Mar-17

DESCRIPTION	ACTUAL FY 2015/16	ACTUAL FY 2016/17 (See Note 3)	PROPOSED FY 2017/18 BUDGET	VARIANCE
OPERATING REVENUES				
Carry Forward Surplus	\$ 86,481	\$ 124,320	\$ 136,951	\$ 12,632
Net Assessments	\$ 200,479	\$ 200,422	\$ 199,272	\$ (1,150)
Revenue Note Proceeds - (Payoff 2012 & 2013 Notes plus 2017 Note)			\$ 356,656	\$ 356,656
Total Revenues	\$ 286,959	\$ 324,742	\$ 692,879	\$ 368,137
EXPENDITURES				
Professional Services				
Legal Services	\$ 4,500	\$ 14,300	\$ 17,500	\$ 3,200
Administrative Services	\$ 1,325	\$ 1,725	\$ 1,800	\$ 75
Accounting & Audit Services	\$ 3,000	\$ 3,030	\$ 3,250	\$ 220
Administrative				
Office Supplies & Postage	\$ 175	\$ 150	\$ 200	\$ 50
Rental - Meeting Room	\$ 900	\$ 975	\$ 1,200	\$ 225
Communication Services - Web Hosting	\$ 420	\$ 240	\$ 240	\$ -
Legal & Promotional Advertising	\$ 195	\$ 125	\$ 250	\$ 125
Other Administrative Expenses	\$ -	\$ -	\$ 100	\$ 100
Insurance - General Liability	\$ 4,162	\$ 4,180	\$ 4,250	\$ 70
Publications and Memberships	\$ 925	\$ 925	\$ 1,000	\$ 75
Interest Expense on Revenue Notes (See Note 2)	\$ 12,038	\$ 8,141	\$ 21,342	\$ 13,201
Revenue Note Principal Payments	\$ 135,000	\$ 139,000	\$ 100,000	\$ (39,000)
Total Professional & Administrative Expenditures	\$ 162,640	\$ 172,791	\$ 151,132	\$ (21,659)
Canal Maintenance & Dredging Operations				
Dredging / Marine Contractor	\$ -	\$ -	\$ -	\$ -
Marine Surveyor	\$ -	\$ -	\$ 5,500	\$ 5,500
Dredging Permits	\$ -	\$ -	\$ 1,000	\$ 1,000
Spoil Site Expenses	\$ -	\$ 15,000	\$ 200,000	\$ 185,000
Navigational Aids & Markers	\$ -	\$ -	\$ 1,500	\$ 1,500
Marine Engineering Consultant	\$ -	\$ -	\$ 10,000	\$ 10,000
Total Canal Maintenance & Dredging Operations	\$ -	\$ 15,000	\$ 218,000	\$ 203,000
Capital Expenditures				
Purchase of 85 acres spoil site			\$ 300,000	\$ 300,000
TOTAL EXPENDITURES	\$ 162,640	\$ 187,791	\$ 669,132	\$ 481,341
EXCESS REVENUES / (EXPENDITURES)	\$ 124,320	\$ 136,951	\$ 23,747	\$ (113,204)

NOTES:

	Num	2015 / 2016 Actual	2016 / 2017 Projected	2017 / 2018 Projected
1 Non Ad-Valorem Assessment				
Residential Parcels	105	\$ 210,000	\$ 210,000	\$ 210,000
Marina - (Tax Exempt Organization)	1	\$ -	\$ -	\$ -
Easements	7	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL GROSS ASSESSMENTS	113	\$ 215,000	\$ 215,000	\$ 215,000
Less Early Payment Discount (avg 3.58%)		\$ (7,250)	\$ (7,308)	\$ (7,500)
Less PA and TC Discount (3.5%)		\$ (7,271)	\$ (7,269)	\$ (7,228)
Less Provision for Parcels in Default		\$ -	\$ -	\$ (1,000)
TOTAL NET NON AD-VALOREM ASSESSMENTS		\$ 200,479	\$ 200,422	\$ 199,272

2 Series 2012 & Series 2013 Notes will be refinanced effective 7/1/2017
Series 2017 Note is \$500,000 at 5.0%

3 Actual expenses and revenue thru March 31, 2017,
April thru June expenses are forecast.

HARBOUR WATERWAY SPECIAL DISTRICT AMORTIZATION SCHEDULE

2012 Series - Principal Balance	\$ 350,000	COUPON	2.800%	Issue Date:	12-Dec-12
2013 Series - Principal Balance	\$ 326,000	COUPON	2.980%	Issue Date:	15-Feb-13
Proposed 2017 Revenue Note					
2017 Series - Principal Balance	\$ 500,000	COUPON	5.000%	Issue Date:	01-Jul-17

	PAYMENT DATE	INTEREST	PAID PRINCIPAL	TOTAL LOAN PAYMENTS	OUTSTANDING BALANCE
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2012 & 2013 REVENUE NOTES

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

2017 REVENUE NOTE

	01-Jul-17				\$ 500,000.00
FISCAL YEAR	01-Nov-17	(\$8,614.44)		(8,614.44)	500,000.00
2017 / 2018	01-May-18	(\$12,727.87)	(\$100,000.00)	(112,727.87)	400,000.00
FISCAL YEAR	01-Nov-18	(\$10,353.23)		(10,353.23)	400,000.00
2018 / 2019	01-May-19	(\$10,182.30)	(\$100,000.00)	(110,182.30)	300,000.00
FISCAL YEAR	01-Nov-19	(\$7,764.92)		(7,764.92)	300,000.00
2019 / 2020	01-May-20	(\$7,679.45)	(\$100,000.00)	(107,679.45)	200,000.00
FISCAL YEAR	01-Nov-20	(\$5,176.62)		(5,176.62)	200,000.00
2020 / 2021	01-May-21	(\$5,091.15)	(\$100,000.00)	(105,091.15)	100,000.00
FISCAL YEAR	01-Nov-21	(\$2,574.06)		(2,574.06)	100,000.00
2021 / 2022	01-May-22	(\$2,545.57)	(\$100,000.00)	(102,545.57)	-
		(72,709.62)	\$ (500,000.00)	\$ (572,709.62)	

**HARBOUR WATERWAY SPECIAL DISTRICT
BUDGET SUPPLEMENT
FISCAL YEAR 2017/2018**

REVENUES

325.200 Special 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. 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 2016 / 2017; (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.

Revenue Notes

The HWSD issued two Revenue Notes in 2012 and 2013 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 \$25,500.

The District is planning to refinance the outstanding balance of \$143,000 plus outstanding interest on the Series 2012 & 2013 Revenue Notes and increase the balance to \$500,000. The District will use the surplus funds totaling \$356,656 to purchase approximately 85 acres of property from JaxPort to be used as a spoil site for future dredging projects.

361.100 Interest Income

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

Carry Forward Surplus

Excess Funds from prior years. The Carry Forward Surplus from FY 2017 / 2018 is projected to be \$136,951.

EXPENDITURES

PROFESSIONAL:

537.311 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.

537.312 Administrative Services

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.

537.32 Accounting and Audit Services

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 annual financial audit.

ADMINISTRATIVE:

537.41 Communication Services

Communication Services include 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.

537.42 Postage & Freight Services

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

537.44 Rentals and Leases

Rentals are fees associated with renting public meeting rooms to hold public hearings, committee meetings, and general meetings as required by the District.

537.45 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.

537.47 Printing and Binding

Printing and Binding include fees to print and bind the District's official documents, including meeting minutes, agendas, reports, resolutions, contracts, etc.

537.48 Promotional & 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.

537.49 Other Current Charges

This item includes any expenses not included in other categories including Bank Fees & Charges

537.51 Office Supplies

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

537.54 Publications & Memberships

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

537.72 Debit Service Interest Expense

Interest charges on the Revenue Notes is based on the projected maximum outstanding balance for FY 2017 / 2018 equal to \$500,000. Semi-annual interest payments equal to a total of \$21,342 for FY 2017 / 2018 are scheduled. (See Amortization Schedule)

203.900 Revenue Notes & Loans Payable

Principal Payments on the revenue note is on a (5) five year term. Refer to the Amortization Schedule for payment schedule.

CANAL MAINTENANCE & DREDGING OPERATIONS:

537.301 Dredging / Marine Contractor

The HWSD 2013 Dredging Project began on February 1, 2013 and was completed on August 10, 2013. The District has no current plans to perform dredging operations during FY2017/2018. The District has plans to perform maintenance on the existing 2,500 feet breakwater structure at the mouth of the canal system as required.

537.302 Marine Surveyor

The District contracts with marine surveyors to determine the amount of silting occurring in the canal system and approach channels.

537.303 Dredging Permits

In order to perform dredging operations, the District is required to secure permits from the U.S. Army Corp of Engineers and the Florida Department of Environmental Protections.

537.304 Spoil Site Expenses

During dredging operations, silt is removed from the channel bottom and pumped to an upland spoil site. Expenses to deposit the spoil, to perform maintenance on the spoil site, and expenses to acquire an upland spoil site are included in this item.

537.305 Navigational Aids & Markers

The HWSD maintains channel markers along our approach channel to mark the dredged channel for boaters.

537.306 Dredging / Marine Engineering Consultant

The District utilizes consultants to advise the Board on spoil site construction, dredging services, dredging technology, and marine construction for bulkheads and breakwaters.