HARBOUR WATERWAY SPECIAL DISTRICT
RESOLUTION 2021-05

A RESOLUTION REQUESTING THE CITY COUNCIL OF JACKSONVILLE TO APPROVE THE ANNUAL BUDGET OF THE HARBOUR WATERWAY SPECIAL DISTRICT FOR THE FISCAL YEAR; PROVIDING AN EFFECTIVE DATE OF MARCH 31, 2021.

WHEREAS, the Harbour Waterway Special District (the "District") was established per City of Jacksonville Ordinance 2010-725 E and Section 189.02, Florida Statutes; a dependent special district for the purpose of maintaining the system of canals located in the Harbour, Harbour North, Harbour Cay, and Harbour Island neighborhoods; and

WHEREAS, the Board is required to annually submit its budget to the City of Jacksonville for final approval or rejections pursuant to Section 2(6) of Chapter 86-392; and

WHEREAS, the Board of District Supervisors (the "Board"), the governing body of the District, has reviewed and approved the budget attached as Exhibit "A" to this Resolution for the 2021 - 2022 fiscal year.

NOW THEREFORE BE IT RESOVED by the Board of the District as follows:

Section 1. The Board hereby approves the FY 2021 - 2022 District Budget attached as Exhibit "A" to this Resolution for submission to the Jacksonville City Council.

Section 2. Effective Date. This Resolution shall become effective on March 31, 2021.

DULY ADOPTED AND APPROVED this 9th day of March, 2021, by the Board of the District.

BOARD OF SUPERVISORS FOR THE
HARBOUR WATERWAY SPECIAL DISTRICT

Ricardo Fornos
Board Chair

Attest:

Robert P. Birtalan
Board Secretary

HARBOUR WATERWAY SPECIAL DISTRICT

Dependent Special District

11554 Starboard Drive, Jacksonville, Florida 32225-1015

March 31, 2021

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

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

Re: Harbour Waterway Special District Proposed Budget for Fiscal Year July 1, 2021 to June 30, 2022

Dear Ms. Brown and Ms. Taylor:

In accordance with Ordinance 2010 – 725 E, please find enclosed the District's proposed budget for Fiscal Year 2021 / 2022 for purposes of disclosure and information only. Should you have any questions regarding the enclosed, please contact Stanley Pipes at (904) 642-0097.

Sincerely,

Robert P. Birtalan
Supervisor and Secretary/Treasurer

Enclosures

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

Proposed Budget
Fiscal Year 2021 / 2022

March 31, 2021

HARBOUR WATERWAY SPECIAL DISTRICT

FISCAL YEAR 2021 - 2022 BUDGET

CASH FLOW ANALYSIS

31-Mar-21

DESCRIPTION	ACTUAL FY 2019/20	ACTUAL FY 2020/21 *(See Note 3)*	PROPOSED FY 2021/22 BUDGET	VARIANCE
OPERATING REVENUES				
Carry Forward Surplus	$ 1,149,831	$ 844,247	$ 996,693	*$ 152,447*
Net Assessments	$ 204,074	$ 194,310	$ 212,705	*$ 18,395*
- Tax Rebate - 50% refund on non-Ad Valorem Assessment	$ (93,000)	$ (109,000)	$ (109,000)	*$ -*
Spoil Site Disposal Fees	$ 875,000	$ 479,167	$ 479,167	*$ -*
Interest Income	$ 2,496	$ -	$ -	*$ -*
Misc Income - Refund of Legal Fees; refund of taxes	$ 28	$ 577		*$ (577)*
Total Revenues	***$ 2,138,429***	***$ 1,409,300***	***$ 1,579,565***	***$ 170,265***
EXPENDITURES				
Professional Services				
Personnel Services includes temp labor	$ 39,582	$ 50,054	$ 42,000	*$ (8,054)*
Federal Taxes; FICA; Unemployment Insurance	$ 13,302	$ 20,208	$ 18,000	*$ (2,208)*
Legal Services	$ 16,946	$ 20,538	$ 21,000	*$ 462*
Administrative Services	$ 1,950	$ 1,800	$ 3,000	*$ 1,200*
Accounting & Audit Services	$ 3,456	$ 5,713	$ 7,500	*$ 1,787*
Administrative				
Office Supplies & Postage	$ 1,025	$ 332	$ 600	*$ 268*
Rental - Meeting Room	$ 1,400	$ 400	$ -	*$ (400)*
Communication Services - Web Hosting	$ 180	$ 240	$ 240	*$ -*
Legal & Promotional Advertising	$ 354	$ 452	$ 600	*$ 148*
Other Administrative Expenses	$ 823	$ 1,953	$ 2,075	*$ 122*
Insurance - General Liability & Pollution	$ 31,823	$ 8,475	$ 9,000	*$ 525*
Publications and Memberships	$ 925	$ 925	$ 925	*$ -*
Property Taxes - Parcel 160259	$ 423	$ -	$ -	*$ -*
Interest Expense on Revenue Notes (See Note 2)	$ 18,631	$ 16,906	$ 15,104	*$ (1,802)*
Revenue Note Principal Payments	$ 38,328	$ 40,053	$ 41,855	*$ 1,802*
Total Professional & Administrative Expenditures	***$ 169,146***	***$ 168,050***	***$ 161,899***	***$ (6,151)***
Canal Maintenance & Dredging Operations				
Dredging / Marine Contractor	$ 892,022	$ 33,368	$ -	*$ (33,368)*
Repair Bulkhead - COJ/JEA & Mill Cove Channel	$ 13,840	$ -	$ 750,000	*$ 750,000*
Marine Surveyor	$ 20,285	$ 5,500	$ 5,500	*$ -*
Spoil Site Development Expenses	$ 181,822	$ 65,139	$ 59,000	*$ (6,139)*
COJ Park & Recreation Development	$ 698	$ 7,864	$ 12,000	*$ 4,136*
Total Canal Maintenance & Dredging Operations	***$ 1,108,666***	***$ 111,871***	***$ 826,500***	***$ 714,629***
Capital Expenditures				
Purchase Office Equipment - PC				*$ -*
Purchase equipment to maintain Spoil Site	$ 16,371	$ 72,686	$ 25,000	*$ (47,686)*
Purchase and Renovate Marina		$ 20,000	$ 165,000	*$ 145,000*
Purchase parcels adjacent to HWSD canal system	*$ -*	$ 40,000	$ 20,000	*$ (20,000)*
TOTAL EXPENDITURES	***$ 1,294,182***	***$ 412,607***	***$ 1,198,399***	***$ 785,792***
EXCESS REVENUES / (EXPENDITURES)	***$ 844,247***	***$ 996,693***	***$ 381,166***	***$ (615,527)***

NOTES:

	2019 / 2020 Actual	2020 / 2021 Projected	2021 / 2022 Projected
1 Non Ad-Valorem Assessment			
Residential Parcels	$ 210,000	$ 210,000	$ 220,000
Marina	$ 4,000	$ 4,000	$ 4,000
Easements	$ 5,000	$ 5,000	$ 5,000
TOTAL GROSS ASSESSMENTS	$ 219,000	$ 219,000	$ 229,000
Less Early Payment Discount (avg 3.31%)	$ (7,244)	$ (7,243)	$ (7,580)
Less PA and TC Discount (3.5%)	$ (7,376)	$ (7,376)	$ (7,715)
Less Provision for Parcels in Default	$ (1,000)	$ (1,000)	$ (1,000)
TOTAL NET NON AD-VALOREM ASSESSMENTS	**$ 203,380**	**$ 203,380**	**$ 212,705**

2 Series 2018 Note is $450,000 at 4.50% on a ten year term

3 Actual expenses and revenue thru March 31, 2021,
April thru June expenses are forecasted.

HARBOUR WATERWAY SPECIAL DISTRICT
AMORTIZATION SCHEDULE
REVENUE NOTE SERIES 2018

TAXABLE OPTION:

Principal Balance	**$ 450,000.00**		
Issue Date	4/18/2018		
Annual Rate	4.500%		
Number of Payments	10	Prepayment penalty	1.0%

	PAYMENT DUE DATE	ACCRUED INTEREST	PAID PRINCIPAL	LOAN PAYMENT	OUTSTANDING BALANCE	PERIODS REMAINING	PREPAYMENT CALCULATIONS	LOAN PAYOFF
1	1-May-19	(20,981.25)	(35,977.65)	(56,958.90)	414,022.35	10	4,709.81	475,691.06
2	1-May-20	(18,631.01)	(38,327.90)	(56,958.91)	375,694.45	9	4,326.53	436,979.89
3	1-May-21	(16,906.25)	(40,052.65)	(56,958.90)	335,641.80	8	3,926.01	396,526.70
4	1-May-22	(15,103.88)	(41,855.02)	(56,958.90)	293,786.78	7	3,507.46	354,253.13
5	1-May-23	(13,220.41)	(43,738.49)	(56,958.90)	250,048.28	6	3,070.07	310,077.25
6	1-May-24	(11,252.17)	(45,706.73)	(56,958.90)	204,341.55	5	2,613.00	263,913.46
7	1-May-25	(9,195.37)	(47,763.54)	(56,958.91)	156,578.01	4	2,135.37	215,672.29
8	1-May-26	(7,046.01)	(49,912.89)	(56,958.90)	106,665.12	3	1,636.24	165,260.27
9	1-May-27	(4,799.93)	(52,158.98)	(56,958.91)	54,506.15	2	1,114.65	112,579.71
10	1-May-28	(2,452.78)	(54,506.14)	(56,958.92)	0.00	1	-	56,958.92
		(119,589.05)	(450,000.00)	(569,589.05)				

HARBOUR WATERWAY SPECIAL DISTRICT
BUDGET SUPPLEMENT
FISCAL YEAR 2021/2022

REVENUES

325.200 Special Assessments

The District will continue to levy a non-ad valorem assessment in the gross amount of $229,000 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 3.31% for FY 2021 / 2022; (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. In 2020, HWSD added 16 parcels to the District of which at least 5 parcels will be assessed going forward.

As a result of the sale of excess capacity in the HWSD Spoil Site, the District will refund 50% of the non-ad valorem assessment from 2019 and 2020. The tax rebate program will continue as long as District continues to collect spoil site disposal fees in excess of the District's long-term needs.

362.000 Spoil Site Disposal Fees

HWSD offers disposal of dredge material in the HWSD spoil site to prospective special districts and homeowner associations in Duval County. HWSD sold 482,000 cubic yards of spoil material disposal to a local dredging contractor to service a number of their clients including Queens Harbour, Marsh Landing, Tarpon Cove Special District, St. Johns Landing Estates, and others. In addition, HWSD has signed a license agreement with Isle of Palms Special District in Duval County to deposit up to 300,000 cubic yards in the HWSD spoil site over the next fifteen years.

203.000 Revenue Notes

The District issued a Series 2018 Revenue Note totaling $450,000 to refinance the outstanding balance of $143,000 plus accrued interest on the Series 2012 & 2013 Revenue Notes to provide funds for projects. The Series 2018 Revenue Note was purchased by BB&T with a 10 year term at a 4.5% interest rate. The District used the surplus funds totaling $305,085 to purchase approximately 44 acres of property from the City of Jacksonville to be used as a spoil site for dredging projects, perform maintenance on the spoil site, conduct dredging operations, and perform repairs to bulkheads owned by the District as required.

361.100 Interest Income

Excess Funds will be invested in a non-interest bearing checking account at BB&T, Branch Banking & Trust Company or in short term Certificates of Deposit (CD).

Carry Forward Surplus

Excess Funds from prior years. The Carry Forward Surplus from FY 2020 / 2021 is projected to be $996,693.

EXPENDITURES

PROFESSIONAL:

537.10 Personnel Services
The District employs a part time District Manager to run the day to day operations, manage the spoil site, and manage eco restorations as required. Depending on the project, the District anticipates hiring part time employees for specific projects as needed.

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 Robert M. Thaggard, CPA 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 & Workman's Comp
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. Workman's Comp Insurance is also with FMIT. In addition, James River Insurance Company provides pollution/site environmental insurance for the spoil site.

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 Debt Service Interest Expense

Interest charges on the Revenue Notes is based on the projected maximum outstanding balance for FY 2021 / 2022 equal to $335,642. For FY 2021 / 2022, the annual accrued interest is equal to $15,104.

203.900 Revenue Notes & Loans Payable

Principal Payments on the 2018 revenue note is on a (10) ten year term. Refer to the Amortization Schedule for payment schedule.

CANAL MAINTENANCE & DREDGING OPERATIONS:

537.301 Dredging / Marine Contractor

The HWSD 2019 Dredging Project began on September 25, 2019 and was completed on January 31, 2020. The District has plans to perform spot dredging as needed. The District has plans to perform maintenance on the existing 2,500 feet bulkhead 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.