

Minutes of the Isle of Palms Special District Board of Supervisors Meeting

May 10, 2017.

I. Ken Wright, Chairman, opened the meeting, and began roll call. Present were Chairman Wright, Vice President/Treas., Paul Raudenbush, and Board member David Touring. Tim Pacheco had emailed that he would be unable to make it. Brad Radloff missed the meeting because of illness. In his absence, Mr. Wright took the Minutes. It was determined that a quorum was present.

II. There was no preliminary public comment on the agenda items but all who wished to comment did so during discussions on each item.

III. The minutes of the April 12, 2017 meeting.

Motion: by Mr. Raudenbush to approve. Seconded and approved unanimously.

VI. Paul Raudenbush gave the Treasurer's report. The District has \$793,352.45 in the bank. That is after we received two additional payments from the city of our taxes totaling approximately \$5,000.

The only bill that we had for payment was Lewis, Longman and Walker, Attorneys, \$450 monthly billing.

Motion: by Mr. Raudenbush to approve payment of bill. Seconded and passed unanimously.

V. Preliminary discussions took place with regard to what the assessment for next year would be. Mr. Wright advised that, based on the information we currently had. He would likely vote for another increase of \$100 to the annual assessment. Paul Raudenbush indicated that he would more fully explain his thought process when we got to the next agenda item, but he thought it was possible based on his analysis, that no increase might be necessary. Mr. Touring had not reached any conclusions on the issue.

VI. Mr. Raudenbush provided his report regarding the proposals received from various banks and the Florida Municipal Loan Council. He distributed to all present a spreadsheet he prepared of the lending institution responses and his analysis of dredging costs and repayment. A copy of this report is attached and made part of the minutes. Mr. Raudenbush explained that the lenders would want 50% cost matching from the District and our funds would be expended first. In general, the analysis showed dredging beginning in March 2018 and the loan paid off by May of 2022. Mr. Raudenbush cautioned that the dates used were for discussion purposes and the analysis was dependent upon the accuracy of the estimated dredging costs. He reviewed his analysis showing that at the current \$650 annual assessment going forward would allow the District to complete the dredging and repay the loan. A caveat he noted was that his analysis did not include any expenses for normal operation of the District such as legal fees, insurance, etc.

Discussion took place regarding the analysis among the Board and residents who were present. Additionally, Mr. Joe Wagner, PE, Senior Dredging Engineer of Amec, Foster Wheeler, provided input. Mr. Raudenbush allocated a preliminary \$50,000 for a survey and engineering. Mr. Wagner felt that the survey might only be \$25,000. Some concern was expressed by Board members and residents about the limited financial “cushion” that would remain after drawdown of District funds, calculated to be \$40,000 as of July 2018 before loan funds would be accessed. Following that discussion, the question was raised whether there could be refunds if the District over-assessed. It was opined that there could be no refunds but that the assessment could be reduced in subsequent years.

Mr. Wagner advised that the primary unknown with regard to the dredging cost was the spoil site disposal fee. The original cost was calculated on the basis there would be free disposal at the city spoil site. Since we are a dependent tax district of the City, it was felt that we should be permitted to dispose of our spoil without charge (which was the case with the original dredging). However, we were advised that the Harbor North Special District, had also approached the City for the same purpose but instead of allowing free disposal, the City offered to sell a spoil site to it. Harbor North is now in contract with the City to purchase a spoil site. It appears too late for Isle of Palms to become part of the purchase but we were advised by Mr. Wagner that the site was large enough for our spoil also. Both Mr. Wagner and John Wallace, of Lewis, Longman & Walker, believe that Harbor North would be interested in allowing us to use the site for a fee, possibly less than a City tipping fee.

The Board determined that three actions needed to be taken:

1. Determine where and at what cost we can dispose of our spoil. Dave Touring, along with resident, Mr. Scott Henley, agreed to approach the City and our City Council Representative Bill Gulliford, to see if we could obtain permission to use the City spoil site for free. Mr. Touring will report back at the next meeting.
2. Given the length of time since the last survey and reports of increased siltation, we need to update our survey. Joe Wagner, PE advised that he would obtain two bids for an updated survey including one from Arc Surveyors, which did both of the previous Isle of Palms dredge surveys.
3. Obtain hard bids on the cost of dredging. It was agreed that this step could not be taken until we had the answers to 1 and 2 above.

VII. We were advised that no Isle of Palms Board seats were up for election this year.

The meeting was **adjourned**.

The next Board Meeting is scheduled for June 14, 2017 at the Pablo Creek Library. Other scheduled 2017 meetings: July 12, 2017, September 13, 2017, October 11, 2017, November 8, 2017.

