

**MINUTES OF THE BOARD OF SUPERVISORS**  
**ISLE OF PALMS SPECIAL DISTRICT FOR DREDGING**

April 17th, 2012

President Jason Sessions welcomed the Isle of Palms homeowners present and reviewed the procedures for the meeting, including that the meeting would be conducted by the Board, just like a City Council meeting and that time would be given at the conclusion of the meeting for public discussion. The meeting was called to order. Board members present were, President, Jason Sessions, Vice President, Matt Kwartler, Secretary, Ken Wright, and Boardmember Tim Pacheco. Boardmember Brad Radloff was traveling and was unable to be present. Approximately 50 homeowners were present. For the benefit of those present at this meeting who were not present at the prior meeting, President Sessions explained that there would be no assessment for this year because the legal time frames for submitting the appropriate documentation to the city had already passed.

Agenda Items

MOTION: To approve the minutes of the March 20, 2012 meeting. The motion was seconded and passed unanimously.

MOTION: To hire attorney Wayne Flowers pursuant to his written proposal presented to the Board. The relevant facts were that Mr. Flowers is a Board Certified Governmental and Environmental lawyer. He would be charging his governmental rate of \$250 per hour, plus 3.5% of his hourly rate to cover various costs. The question was opened for discussion. Board members raised two issues with the proposal of Mr. Flowers. First, the proposal contained an interest rate provision to compensate Mr. Flowers for the fact that the Board would not be able to pay him for perhaps two years. The proposal indicated that the Board would be billed monthly and that the invoices would accrue interest at a 10% rate, compounded monthly. Several Board members expressed concern that while Mr. Flowers was entitled to be compensated for the time value of his unpaid fees, that the 10% rate was too high given the available rates in the current economy. Mr. Flowers agreed to accept a 6% rate. In addition, in response to a further Board concern regarding how Mr. Flowers would bill for computerized legal research, Mr. Flowers stated that that computerized legal research would not be billed separately but was included within the 3.5% cost addition to his hourly rate .

With the above amendments and clarifications, the motion to hire Mr. Flowers was renewed, seconded and passed unanimously.

President Sessions agreed to work with Mr. Flowers regarding necessary paperwork, procedures, and resolutions for the District.

Public Discussion. During the course of the discussion on the motion to a hire attorney Flowers, a number of upset and concerned homeowners insisted on expressing their general opinions regarding the District itself. Their concerns were substantially broader than the issue of hiring of an attorney. They expressed their objections to the Isle of Palms Special Taxing District itself. They stated that they had been unaware of the District's formation that they were still paying for the last dredging, that they did not believe dredging was necessary or desirable, and that they did not believe that the majority of other affected residents wanted dredging. Some threatened to sue.

Other homeowners expressed the opposite view. They recalled multiple Dredging District notices and meetings which took place prior to the Jacksonville City Council votes to create the Special Dredging District. They also expressed their belief that the large majority of affected residents favored the District and believe that dredging is necessary and desirable to maintain property values and boating access and enjoyment. It was noted that the District Board, though originally appointed by the City Council, was

subject to election and the residents could vote members out of office if they were unhappy with the members' actions.

Following the above discussion, the meeting returned to agenda matters.

Directors & Officers Insurance. Board member Matt Kwartler discussed his investigation into obtaining Directors & Officers Insurance. He reported difficulty in obtaining quotes due to the lack of a Dredging District budget for the insurance companies to base their premium upon. The only quote he was able to obtain was a tentative estimate ranging from \$1500-\$5000 per year. It was decided that the issue would be tabled while Mr. Kwartler did additional research and obtained additional quotes.

Leftover Prior Dredging Funds. Ken Wright reported on his investigation into any leftover dredging funds held by the Isle of Palms Community Association. These were funds donated by residents to get the prior dredging started. Mr. Wright reported that the Association's treasurer advised there remained \$1,831.44 of donated dredging funds in the Community Association's bank account. Mr. Wright noted that the Association had been essentially defunct for many years. However, the remaining Community Association Board members intended to hold a meeting in May to reorganize and hopefully revitalize the Community Association. It was anticipated that at that meeting, the Community Association Board would try to determine whether it was authorized to vote on turning over the remaining donated funds to the Special District for Dredging.

Motion: To have Ken Wright continue his efforts to secure these dredging funds for the Dredging District. The Motion was seconded, and passed unanimously.

Next Meeting:

The Board's next meeting was set for Tuesday May 22, 2012 at 6:30 PM in the Advance Hall at the First Baptist Church at 324 N. 5th St., Jacksonville Beach, 32250.

**PUBLIC DISCUSSION:**

At this point, the meeting was re-opened for public discussion. Some of the points raised earlier were amplified. In addition, resident Brian Morris submitted a letter to the board and read it to all present expressing his concerns and the questions he had regarding the District. President Sessions responded to such questions as were currently relevant and had not been answered previously.

Many residents expressed the view that lack of communication regarding the District was a big problem. In addition to the concerns expressed earlier about lack of knowledge about the District, it was suggested that the signs giving notice of the meetings were too small and that the Board Minutes were not posted timely on the Dredging website. A volunteer graciously agreed to make larger signs for future meetings and the Board will do a better job with regard to posting the minutes in a timelier manner. President Sessions requested volunteers for a communications committee to be formed following the meeting. Boardmember Tim Pacheco was asked to head up the Communications Committee.

As a final matter, in response to a question, it was clarified that when the time came to make a decision about the amount of any dredging tax assessment, there would not be a vote of the residents. The decision would be made by a majority vote of the Board, after listening to the views of the residents of the District.

Adjournment:

At the conclusion of the questions and comments, the meeting was adjourned.