

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

January 14, 2014

Board President Jason Sessions opened the meeting and called it to order at approximately 1830 hours. Other Board members/officers present were Vice President Ken Wright, Treasurer Matt Kwartler, Secretary Brad Radloff, Board member Tim Pacheco, and Board Attorney Wayne Flowers of Lewis, Longman & Walker (LLW). Approximately 12 homeowners of the District attended. Joe Wagner, P.E. of Taylor Engineering was also present to answer questions related to their proposal for engineering services offered to the District.

Agenda-specific Public Comment-

As a result of a new Florida Statute, public comments of agenda items only (no general items) are to be taken prior to addressing the Meeting Agenda. As such, a call for such public comments was made at this time. There were no comments made from the public regarding agenda items. Board member TPacheco questioned whether the agenda for the meeting was posted on the dredging Board website so that homeowners could review it prior to attending the meeting (since it was decided that copies of the agenda would not be available at the meeting in order to save copying costs). According to Treasurer MKwartler, the agenda was posted on the website on the Weds. or Thurs. prior to the meeting.

AGENDA ITEMS

First Order of Business - Approve the Minutes of the November 19, 2013 Board meeting

MOTION: To approve the minutes of the November 19, 2013 Board meeting, by JSessions.

The motion was seconded by MKwartler and passed unanimously by all Board members.

Secondary Business/Issues -

1. JSessions informed Board members at this time (which was slightly off the agenda schedule) that TPacheco cleared the use of the church (current location) for at least the next three meeting dates (February 18, March 18, and April 15, 2014) as approved during the last Board meeting in November 2013.
2. An off-agenda item brought up for discussion by KWright was his nomination (in his absence) during the last meeting to act as the records manager for the Board. KWright said he did not mind being said manager; he just wanted to know what it

involved so that he knew what to do for the title. WFlowers explained that basically a contact person for submittal of certain documents, forms, etc. to local, State, and Federal agencies, etc. and maintenance of such documents. KWright graciously accepted the nomination/duty.

3. Update on funds received from the COJ. Treasurer MKwartler provided the following summary: The COJ had collected a large portion of the assessments due for 2013 and is planning an ACH deposit on January 15. The total distribution (amount being transferred to the District's account) is \$139,780.78. The total amount collected (through December 2013) was \$144,850.54 minus the tax collector's fee of 2% (\$2,897.01) and the property appraiser's fee of 1% (\$2,172.76). After the distribution is received and added to existing funds in the account, there will be, as of January 15, 2014, a total of \$140,188.38 in the District's account. However, there is "a pile of bills that need to be paid from that later in during this meeting). The COJ will be forwarding a report indicating how many payments have been made and not out of the total number of lots in the District, etc. which will help to indicate how much more funding is left that the District can expect to receive based upon various factors such as discounts for early payments, delinquent payments, etc.
4. Discuss/approve engineering/surveying proposals. Taylor Engineering's most recent proposal which included Boatwright Land Surveying as subcontractor was up for consideration. The Boatwright was the least expensive surveyor to provide a bid for the surveying services needed under Taylor Engineering's proposal. However, the Board desired a discussion to consider the other three bids from other surveying firms that ranged from \$10,900.00 (Boatwright) to \$15,950.00 (RE Holland & Associates). ARC Surveying, which had previously conducted surveying for the original dredging bid \$12,967.00. The surveying will primarily be needed to determine where to begin dredging (greatest need) but also will help in applying for an extension to the Army of Corps. of Engineers (ACOE) permit currently in place for the District's dredging activities.

This initial discussion revolved around the qualifications of the surveyors and the fact that Taylor Engineering who requested the bids did so such that the surveyors quoted on the same exact services to ensure that all bidders were quoting on an "apples-to-apples" basis. TPecheco, MKwartler, and KWright had questions for Joe Wagner regarding each firm and shared their concerns all with qualifications and pricing in mind. After some discussion, the general consensus of the Board was that since ARC had performed the surveying for the original project, they are already familiar with it and already set up to efficiently follow-up on continued surveying needs. TPecheco brought up specific concerns regarding ARC to be sure they were the choice of the Board and additional discussion

ensued regarding that firm. Two District homeowner's (Paul Rodenbush and Jeff Weir) spoke-up regarding aspects of the surveying process and how the data might best be used. However, because Taylor Engineering would be subcontracting the selected surveyor, the discussion went to Taylor Engineering's proposal.

Most of the questions and concerns revolving around the discussion of Taylor Engineering's proposal were not so much about Taylor Engineering as it was about what the proposed scope of services covered and what the future services would be, dredging contractor responsibilities, and bidding procedures for dredging. WFlowers suggested that templates for said bid requests were available from other dredging projects such as Harbor Waterway that went through this exact same process about a year ago. A motion was made by MKwartler to approve the Taylor Engineering proposal after changing the subcontracted surveyor from Boatwright Surveying to ARC Surveying and having JSessions sign said adjustment proposal ASAP after receiving it so that Taylor can get the surveying on the schedule.

MOTION: To approve Taylor Engineering's proposal on the basis that it reflect a change in the surveying firm from Boatwright Surveyors to ARC Surveying and that JSessions will provide the authorizing signature, by MKwartler.

The motion was seconded by KWright and passed unanimously by all Board members.

5. A slight change to the chronological of the agenda was made again to discuss insurance for the Board. Basically, the Board discussed obtaining quotes for insurance and what companies could provide that. A couple firms were mentioned like Greene-Hazel that had previously sent information and it was decided that KWright would be responsible for obtaining such quotes so that we could vote on them for the next meeting.
6. Discuss payment for outstanding bills. MKwartler motioned to approve payment to two firms that have allowed us time to pay until we received funding from the District's first year of assessment collection, as follows:

MOTION: To approve payment to law firm Lewis, Longman & Walker, P.A. for fees accumulated from May 9, 2012 through December 20, 2013 in the amount of \$16,663.12.

The motion was seconded by TPecheco and passed unanimously by all Board members.

[It is important to note that originally LLW's fees were to include interest charges of 6% on the amount of legal fees that had accrued up until the District received

the anticipated funds from the COJ. However, WFlowers announced at the meeting that his firm was gracious enough to waive the interest charges and that the invoice amount only reflected legal fees. The District wholeheartedly thanked WFlowers and LLW for their generosity]

MOTION: To approve payment to surveying firm Clary & Associates for fees going back approximately 120 days in the amount of \$1,500.00.

The motion was seconded by BRadloff and passed unanimously by all Board members.

7. The last two items on the agenda were the budget and the proposal for increasing the annual assessment for 2014. Initially, the discussion started off with procedural aspects of establishing the budget and necessary deadlines that have to be met with the COJ on the basis of a fiscal year (July 1 to June 30), etc. The COJ has 70 days to approve (or do nothing) a submitted budget which means the budget needs to be submitted at least 70 days prior to the beginning of the new fiscal year (for purposes of this Board would be sometime in April). As such, this timing makes it somewhat difficult to plan and budget so far in advance, especially as far as planning an increase in the assessment (which does not necessarily have to happen for this fiscal year), due to the required advanced notice/announcements/mailings of a hearing to increase the assessment. Discussion ensued regarding how to determine what the budget would be and whether an increase in the assessment would be needed but the Board would need some data to support increasing the budget or stabilizing it. As such, JSessions suggested that perhaps a preliminary quote would need to be obtained from a dredging contractor, based upon the new surveying data and volume calculations, for discussion at either the March or April meetings. WFlowers suggested that even the Board has planned a meeting for April 15, the meeting date could be adjusted or a meeting added for April 1, as an example, if it helps to stay within the budget submittal requirements of the COJ. WFlowers also informed the Board that a budget could be amended even after approval from the COJ. So, if the Board initially included an increase in the assessment for the new budget and then decided later not to increase it, it could be changed later.
8. Other miscellaneous issues brought up by Board members. TPecheco asked about this year's election of Board members and which seats were up for reelection. Much discussion ensued about which seats were which but the bottom line as far as TPecheco's and other Board members was that only two seats are up for reelection and both are from the North IOP area. Most agreed that this didn't seem to make sense and that the matter should be looked into adjusting it so that one of the two year term seats also be in the South IOP area rather than both being in the North. JSessions suggested that we would put this

subject on the agenda for the next meeting and the Board will get WFlowers to look into it also for the next meeting.

TPecheco also wanted to bring up to the Board that there should be some kind of SOP's, by-laws, or procedures, etc. etc. that establish how the Board deals with, manages, etc. certain aspects of issues and situations that may come about as a result of the dredging operations (e.g., additional dredging that homeowners may want to do, by individually hiring the contractor, after the general dredging is completed) and other matters. The issue of the Board having a "work-shop" type meeting to work on such items was brought up and whether that had to be public or not. WFlowers suggested that any and all meetings of the Board members had to be public, even a "work-shop" meeting. He said the only difference between a work-shop meeting and a normal monthly meeting would be that the Board could not vote on anything during the work-shop meeting. And because all the same noticing requirements come into play even with the work-shop, what sense does it make to call it a work-shop, just in case the Board wants to vote on something during the work-shop (Just something to consider). Then the discussion went to whether the homeowner's had a right to "maintain their property" (properties extend to the center of the canal) by hiring a contractor to do their own dredging and does the permit support that. It was decided that these were ideas that will have to be discussed later after the Board has more data to justify the discussion.

JSessions wanted to summarize items for next the meeting's agenda - Update on the funds received from the COJ, should have survey results, update on the ACOE permit extension, continue our discussions on the budget and assessments, hopefully KWright will have insurance quotes that can be approved by the Board, have an update from WFlowers on the reelection of officers, and JSessions was going to do his best to get the agenda done immediately for the next meeting so that MKwartler could get it posted immediately. WFlowers also asked that the agenda include 10 mins. for an update on the Sunshine Laws.

Future Meeting Dates -

Meetings are to continue to be held in the "Advance Hall" (around back) as usual at the First Baptist Church at 324 N. 5th St., Jacksonville Beach, 32250; for the meetings listed below. All meetings are still to be held at 6:30 PM.

February 18, 2014 March 18, 2014 April 15, 2014

General Public Comment -

1. There was a question possibly about monies (maybe) that were previously offered to the District??? (the speaker wasn't loud enough to be audible on the recording). However, JSessions asked MKwartler to look into it for the next meeting.

Adjournment -

A Motion was made 1926 hrs. by JSessions, to adjourn the meeting which was seconded by KWright and unanimously approved by Board members.