

Port of the Islands CID

Operating and Debt Service Budget

Fiscal Year 2011

Adopted Budget

8/20/2010

Port of the Islands CID

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PORT OF THE ISLANDS CID

GENERAL FUND

Proposed Budget - Fiscal Year 2011

DESCRIPTION	ACTUAL FY 2008	ACTUAL FY 2009	ADOPTED BUDGET FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JUL 2010	PROJECTED AUG- SEPT 2010	TOTAL PROJECTED 9/30/2010	ADOPTED BUDGET FY 2011
REVENUE								
Interest - Investments	\$ 19,987	\$ 11,804	\$ 30,000	\$ 12,000	\$ 6,562	\$ 1,002	\$ 7,564	\$ 1,045
Net Incr (Decr) In FMV-Invest	(6,821)	(5,786)	-	-	12,607	-	12,607	-
Interest - Tax Collector	1,290	236	-	-	1,406	-	1,406	-
Special Assmnts- Tax Collector	420,389	439,607	444,592	444,592	404,286	40,306	444,592	435,400
Special Assmnts- Delinquent	-	-	-	-	3,795	-	3,795	-
Special Assmnts- Discounts	(11,912)	(11,417)	(17,784)	(17,784)	(12,013)	-	(12,013)	(17,416)
Other Miscellaneous Revenues	155	2,733	-	-	3,277	-	3,277	-
TOTAL REVENUE	423,088	437,177	456,808	438,808	419,920	41,308	461,228	419,029
EXPENDITURES								
ADMINISTRATIVE								
P/R-Board of Supervisors	6,000	6,300	6,000	7,000	5,400	1,000	6,400	7,000
FICA Taxes	459	482	459	536	413	77	490	536
ProfServ-Engineering	17,264	30,435	22,000	26,000	11,968	4,333	16,301	26,000
ProfServ-Info Technology	776	-	-	-	-	-	-	-
ProfServ-Legal Services	13,490	17,165	12,420	12,420	22,363	4,473	26,836	12,500
ProfServ-Mgmt Consulting Serv	23,184	26,084	26,084	26,084	21,737	4,347	26,084	26,867
ProfServ-Property Appraiser	-	-	-	-	-	-	-	6,531
ProfServ-Special Assessment	8,694	8,500	8,500	8,500	8,500	-	8,500	8,755
Auditing Services	11,634	4,432	10,091	4,432	4,432	-	4,432	4,000
Communication - Telephone	86	55	350	120	61	20	81	120
Postage and Freight	1,735	1,034	4,000	2,000	1,127	334	1,461	2,000
Rentals - General	1,242	-	-	-	-	-	-	-
Rental - Meeting Room	-	-	-	600	500	100	600	600
Insurance - General Liability	14,183	10,667	13,000	11,398	7,979	-	7,979	8,440
Printing and Binding	1,562	2,055	3,000	2,400	1,278	400	1,678	2,400
Legal Advertising	3,061	2,084	2,242	2,200	2,287	917	3,204	2,200
Miscellaneous Services	863	1,369	750	400	293	70	363	400
Misc-Assessmnt Collection Cost	(2,375)	1,000	15,561	15,561	7,845	7,716	15,561	8,708
Office Supplies	206	334	750	650	749	108	857	650
Annual District Filing Fee	175	175	175	175	175	-	175	175
TOTAL ADMINISTRATIVE	102,239	112,171	125,382	120,475	97,107	23,894	121,001	117,881

PORT OF THE ISLANDS CID

GENERAL FUND

Proposed Budget - Fiscal Year 2011

DESCRIPTION	ACTUAL FY 2008	ACTUAL FY 2009	ADOPTED BUDGET FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JUL 2010	PROJECTED AUG- SEPT 2010	TOTAL PROJECTED 9/30/2010	ADOPTED BUDGET FY 2011
FIELD								
Contracts-Mgmt Services	96,461	99,641	102,914	102,914	83,077	16,626	99,703	102,619
Contracts-Landscape	86,128	94,082	90,000	90,000	77,736	14,083	91,819	94,234
Electricity - Streetlighting	10,422	11,979	12,000	12,000	10,117	2,046	12,163	12,276
Utility - Irrigation	2,338	6,329	8,000	7,200	6,803	1,200	8,003	7,200
R&M-Renewal and Replacement	22,254	26,342	15,000	15,000	15,837	7,500	23,337	15,000
R&M-Roads & Alleyways	2,623	-	6,000	6,000	-	3,000	3,000	6,000
Capital Outlay	-	-	-	100,000	-	300,000	300,000	63,819
Capital Reserve	140,178	23,941	97,513	-	-	-	-	-
TOTAL FIELD	360,404	262,314	331,426	333,114	193,570	344,455	538,025	301,148
TOTAL EXPENDITURES & RESERVES	462,643	374,485	456,808	453,589	290,677	368,349	659,026	419,029
Excess of Revenues								
Over (Under) Expenditures	(39,555)	62,692	(0)	(14,780)	129,243	(327,041)	(197,798)	(0)
OTHER FINANCING SOURCES (USES)								
Interfund Transfer - In	37,246	-	-	-	-	-	-	-
Prior Year Fund Balance	-	-	-	14,780	-	-	-	0
TOTAL OTHER SOURCES (USES)	37,246	-	-	14,780	-	-	-	0
Net Change in Fund Balance	(2,309)	62,692	(0)	(14,780)	129,243	(327,041)	(197,798)	(0)
FUND BALANCE, OCTOBER 1	986,300	983,993	983,993	1,046,683	1,046,683	-	1,046,683	848,885
FUND BALANCE, ENDING	\$ 983,991	\$ 1,046,685	\$ 983,993	\$ 1,031,903	\$ 1,175,926	\$ (327,041)	\$ 848,885	\$ 848,885

Port of the Islands CID

Exhibit "A"

Allocation of Reserves - General Fund

Estimated Funds Available

Beginning Fund Balance - Fiscal Year 2011	848,885
Net Change in Fund Balance - Fiscal Year 2011	(0)
Reserves - Fiscal Year 2011 Additions	-
Total Estimated Funds Available - 9/30/2011	848,885

Allocation of Funds Available

(1) Operating Reserve - First Quarter Operating Capital	104,757
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Total Allocation of Funds	104,757
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Total Undesignated Cash	744,127
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Notes

(1) Represents approximately 3 months of operating expenditures. This calculation is provided for informational purposes only as the board does not intend to assign this amount at this time.

Port of the Islands
Community Improvement District

**General Fund
Budget Narrative**

Fiscal Year 2011

Port of the Islands

Community Improvement District

BUDGET NARRATIVE GENERAL FUND

REVENUES

Interest Income – Investments

The District earns interest on available operating funds. Due to economic conditions, this has been conservatively estimated as 0.25% of assessments.

Special Assessments – On Roll

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments – Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES – ADMINISTRATIVE

P/R Board of Supervisor Salaries

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting plus payroll taxes. The amount for the Fiscal Year is based on 5 Board members paid for attending 14 meetings. The fees will be split evenly with the Water & Sewer Fund.

FICA Taxes

Payroll taxes for supervisor salaries are calculated as 7.65% of payroll.

Professional Services-Engineering

The District's engineer provides general engineering services to the District, i.e. attendance and preparation for monthly board meetings when requested, review of invoices, and other specifically requested assignments. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Professional Services-Legal Services

The District's Attorney provides general legal services to the District, i.e., attendance and preparation for monthly Board meetings, review of contracts, review of agreements and resolutions, and other research as directed by the Board of Supervisors and the District Manager. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Professional Services-Management Consulting Services

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Management Services, Inc.

Port of the Islands

Community Improvement District

BUDGET NARRATIVE GENERAL FUND

Professional Services-Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The FY2011 budget for collection costs was based on 1.5% of the anticipated assessment collections.

Professional Services-Special Assessment

The District has contracted with Severn Trent Management Services, Inc. to levy annual assessments, update the District's tax roll, prepare estoppel letters and handle any customer service questions regarding assessments.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Communication-Telephone

Telephone and fax machine expenses. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Postage and Freight

This represents costs associated with actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Rentals – Meeting Room

The District is charged \$100 per occurrence for the use of the meeting room at which the District's meetings are held. This fee will be split evenly with the Water & Sewer Fund.

Insurance – General Liability

The District currently has its Insurance Policy with the Florida Municipal Insurance Trust. The FY 2011 budget includes an estimated 10% increase of the actual FY 2010 premium.

<i>FY 2011:</i>	
General Liability	\$5,687
Property	\$11,194
Total	\$16,881

This expense is split evenly with the Water & Sewer Fund ($\$16,881/2 = \$8,440$).

Port of the Islands

Community Improvement District

BUDGET NARRATIVE GENERAL FUND

Printing and Binding

This represents costs associated with copies used in the preparation of agenda packages, required mailings, and other special projects. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings and other public hearings in a newspaper of general circulation. The board will advertise for their meetings annually. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Miscellaneous Services

This includes bank charges and any miscellaneous expenses that may be incurred during the year.

Miscellaneous-Assessment Collection Cost

The District reimburses the Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The FY2011 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects. The fees will be split with the Water & Sewer Fund based on the percent budgeted for each fund.

Annual District Filing Fee

The District is required to pay an annual fee of \$175 to the Department of Community Affairs.

EXPENDITURES – FIELD

Contracts-Mgmt Services

The District has contracted with Severn Trent Environmental Services to provide operating, maintenance and field management services. This contract includes a predetermined amount of R&M costs. Costs above the specified amount are recorded as 'R&M-Renewal and Replacement'. Any unused R&M costs are returned to the district.

Contracts-Landscape

Soto's Lawn currently provides monthly landscape services to the district for a monthly fee of \$7,042 (\$7,042 x 12 months = \$84,504/year). The remainder of the budgeted expenditures is to cover any incidental landscape expenditures that the district may incur.

Port of the Islands

Community Improvement District

BUDGET NARRATIVE GENERAL FUND

Electricity - Streetlighting

The District currently has 3 electric accounts with Lee County Cooperative for streetlights located on District Roads. Expenses are based on prior year's electric bills.

<u>Account No.</u>	<u>Service Address</u>
0051120000	0 Eveningstar Cay
4941120000	Newport Drive
5741120000	262 Stella Maris

Utility - Irrigation

The District is currently being billed by the Water/Sewer Fund of Port of the Islands CID for irrigation water for the common areas that the District is required to maintain.

R&M-Renewal and Replacement

This line item includes costs associated with sludge removal, hauling, environmental monitoring and various repair and maintenance costs in excess of the amount included in the contracted with Severn Trent. Additionally, various repair and maintenance costs incurred as needed. These costs will be split with the water and sewer fund based on the percent budgeted for each fund.

R&M-Roads & Alleyways

Expenses incurred while maintaining District roadways.

Capital Outlay

Monies spent on capital improvement projects as identified by the board.

PORT OF THE ISLANDS CID
WATER AND SEWER FUND
Proposed Budget - Fiscal Year 2011

DESCRIPTION	ACTUAL FY 2008	ACTUAL FY 2009	ADOPTED BUDGET FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JUL 2010	PROJECTED AUG- SEPT 2010	TOTAL PROJECTED 9/30/2010	ADOPTED BUDGET FY 2011
OPERATING REVENUE								
Interest - Investments	\$ 31,859	\$ 13,026	\$ 5,000	\$ 5,000	\$ 3,684	\$ 737	\$ 4,421	\$ 3,224
Water Revenue	40,806	40,061	38,959	40,000	37,283	7,457	44,740	40,000
Sewer Revenue	58,848	60,269	55,106	60,000	53,345	10,669	64,014	60,000
Irrigation Fees	85,541	64,283	76,834	100,000	87,573	17,515	105,088	100,000
Meter Fees	-	250	-	-	-	-	-	-
Net Incr (Decr) In FMV-Invest	(12,702)	(10,775)	-	-	23,477	-	23,477	-
Interest - Tax Collector	-	-	-	-	3,271	-	3,271	-
Special Assmnts- Tax Collector	1,098,066	1,148,055	1,161,060	1,161,060	1,055,788	105,272	1,161,060	1,135,025
Special Assmnts- Delinquent	-	-	-	-	9,912	-	9,912	-
Special Assmnts- Discounts	(31,116)	(29,815)	(46,442)	(46,442)	(31,372)	-	(31,372)	(45,401)
Other Miscellaneous Revenues	273	17,448	-	-	10,706	-	10,706	-
TOTAL OPERATING REVENUE	1,271,575	1,302,802	1,290,517	1,319,618	1,253,667	141,649	1,395,316	1,292,848

OPERATING EXPENSES

PERSONNEL AND ADMINISTRATION

P/R-Board of Supervisors	6,000	6,300	6,000	7,000	5,400	1,000	6,400	7,000
FICA Taxes	459	482	459	459	413	77	490	536
ProfServ-Engineering	57,979	72,413	22,000	26,000	16,312	10,835	27,147	26,000
ProfServ-Info Technology	776	-	-	-	-	-	-	-
ProfServ-Legal Services	13,577	17,276	12,500	12,500	22,507	11,623	34,130	12,500
ProfServ-Mgmt Consulting Serv	23,184	26,192	26,192	26,192	21,827	4,365	26,192	26,978
ProfServ-Property Appraiser	-	-	-	-	-	-	-	17,025
ProfServ-Special Assessment	7,245	7,250	7,250	7,250	7,250	-	7,250	7,468
ProfServ-Utility Billing	15,158	15,610	15,435	15,435	12,641	2,500	15,141	15,435
Auditing Services	9,366	3,568	8,124	3,568	3,568	-	3,568	4,000
Communication - Telephone	48	31	200	100	51	40	91	120
Postage and Freight	645	380	1,500	1,000	544	417	961	1,000
Rentals - General	1,242	-	-	-	-	-	-	-
Rental - Meeting Room	-	-	-	600	500	100	600	600
Insurance - General Liability	14,183	10,667	13,000	11,398	7,979	-	7,979	8,440
Printing and Binding	770	1,012	1,500	1,500	799	160	959	1,500
Legal Advertising	2,234	1,522	1,637	1,637	1,702	340	2,042	1,637
Miscellaneous Services	757	1,545	1,000	400	621	124	745	400
Misc-Bad Debt	-	2,008	-	-	-	-	-	-

Prepared by:

Severn Trent Management Services

PORT OF THE ISLANDS CID
WATER AND SEWER FUND
Proposed Budget - Fiscal Year 2011

DESCRIPTION	ACTUAL FY 2008	ACTUAL FY 2009	ADOPTED BUDGET FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JUL 2010	PROJECTED AUG- SEPT 2010	TOTAL PROJECTED 9/30/2010	ADOPTED BUDGET FY 2011
Misc-Records Storage	104	-	-	-	-	-	-	-
Misc-Assessmnt Collection Cost	37,923	39,704	40,637	40,637	20,488	20,149	40,637	22,701
Office Supplies	206	334	750	750	856	171	1,027	750
Depreciation Expense	167,883	214,576	-	-	-	-	-	-
TOTAL PERSONNEL AND ADMINISTRATION	359,739	420,870	158,184	156,426	123,458	51,901	175,359	154,089
WATER-SEWER COMB SERVICES								
Unemployment Compensation	-	239	-	-	271	-	271	-
Contracts-Mgmt Services	289,384	300,520	310,371	310,371	250,557	50,141	300,698	309,505
Communication - Teleph - Field	4,231	3,730	4,524	3,768	3,246	628	3,874	3,768
Utility - General	63,207	82,469	44,314	83,500	64,974	12,406	77,380	83,500
R&M-Renewal and Replacement	84,452	173,720	45,687	-	-	-	-	-
R&M-Irrigation	-	-	-	10,000	4,687	1,667	6,354	10,000
R&M-Water Plant	-	-	-	10,000	17,900	1,667	19,567	10,000
R&M-Waste Water Plant	-	-	-	25,000	31,996	4,167	36,163	25,000
Misc-Bad Debt	-	-	-	-	468	-	468	-
Misc-Licenses & Permits	-	-	-	-	-	-	-	5,000
Capital Reserve	-	-	929,500	25,000	-	-	-	25,000
Cap Outlay-Irrigation	-	-	-	181,670	301,522	25,994	327,516	-
Cap Outlay-Water Plant	-	-	-	283,670	315,688	1,203,458	1,519,146	3,102,670
Cap Outlay-Wast Water Plant	-	-	-	465,829	144,191	385,047	529,238	30,796
TOTAL WATER-SEWER COMB SERVICES	441,274	560,678	1,334,396	1,398,808	1,135,500	1,685,174	2,820,674	3,605,239
DEBT SERVICE								
Principal and Interest Payment - \$5.38M @ 5.5%	-	-	-	-	-	-	-	706,445
TOTAL DEBT SERVICE	-	-	-	-	-	-	-	706,445
TOTAL OPERATING EXPENSES	801,013	981,548	1,492,580	1,555,234	1,258,958	1,737,075	2,996,033	4,465,773
Operating Income (Loss)	470,562	321,254	(202,063)	(235,617)	(5,291)	(1,595,426)	(1,600,717)	(3,172,925)

PORT OF THE ISLANDS CID
WATER AND SEWER FUND
Proposed Budget - Fiscal Year 2011

DESCRIPTION	ACTUAL FY 2008	ACTUAL FY 2009	ADOPTED BUDGET FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JUL 2010	PROJECTED AUG- SEPT 2010	TOTAL PROJECTED 9/30/2010	ADOPTED BUDGET FY 2011
OTHER FINANCING SOURCES (USES)								
Interfund Transfer - In	-	484,257	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	5,380,000	5,380,000	-
Prior Year Fund Balance	-	-	202,063	235,617	-	-	-	3,172,925
TOTAL OTHER SOURCES (USES)	-	484,257	202,063	235,617	-	5,380,000	5,380,000	3,172,925
Change in Net Assets	470,562	805,511	(202,063)	(235,617)	(5,291)	3,784,574	3,779,283	(3,172,925)
TOTAL NET ASSETS, OCTOBER 1	5,814,424	6,284,988	6,284,988	7,090,497	7,090,497	-	7,090,497	10,869,780
TOTAL NET ASSETS, ENDING	\$ 6,284,986	\$ 7,090,499	\$ 6,082,925	\$ 6,854,880	\$ 7,085,206	\$ 3,784,574	\$ 10,869,780	\$ 7,696,855

Port of the Islands Community Improvement District

Exhibit "B"

Allocation of Reserves - Water and Sewer Fund

Estimated Funds Available

Beginning Fund Balance - Fiscal Year 2011	10,869,780
(1) Less: Restricted Assets (Net)	(6,723,438)
Net Change in Fund Balance - Fiscal Year 2011	(3,172,925)
Reserves - Fiscal Year 2011 Additions	25,000
Total Estimated Funds Available - 9/30/2011	998,417

Allocation of Funds Available

(2) Operating Reserve - First Quarter Operating Capital	333,077
Total Allocation of Funds	333,077

Total Undesignated Cash	665,340
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Notes

(1) Capital assets

(2) Represents approximately 3 months of operating expenditures (not including capital). This calculation has been provided for informational purposes only.

Port of the Islands
Community Improvement District

**Water and Sewer Fund
Budget Narrative**

Fiscal Year 2011

Port of the Islands

Community Improvement District

BUDGET NARRATIVE WATER AND SEWER FUND

REVENUES

Interest Income – Investments

The District earns interest on available operating funds. Due to economic conditions, this has been conservatively estimated as 0.25% of assessments.

Water Revenue

Based on prior year's budget and water consumption.

Sewer Revenue

Based on prior year's budget and waste water consumption.

Irrigation Fees

Based on prior year's budget and irrigation water consumption.

Special Assessment - On Roll

Developed and undeveloped property is assessed annually for the number of equivalent residential connections of reserved capacity based on the District's adopted rates.

Special Assessments – Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES – ADMINISTRATIVE

P/R Board of Supervisor Salaries

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting plus payroll taxes. The amount for the Fiscal Year is based on 5 Board members paid for attending 14 meetings. The fees will be split evenly with the General Fund.

FICA Taxes

Payroll taxes for supervisor salaries are calculated as 7.65% of payroll.

Professional Services-Engineering

The District's engineer provides general engineering services to the District, i.e. attendance and preparation for monthly board meetings when requested, review of invoices, and other specifically requested assignments. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the General Fund based on the percent budgeted for each fund.

Professional Services-Legal Services

The District's Attorney provides general legal services to the District, i.e., attendance and preparation for monthly Board meetings, review of contracts, review of agreements and resolutions, and other research assigned as directed by the Board of Supervisors and the District

Port of the Islands

Community Improvement District

BUDGET NARRATIVE WATER AND SEWER FUND

Manager. The fees will be split with the General Fund based on the percent budgeted for each fund.

Professional Services-Management Consulting Services

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Management Services, Inc.

Professional Services-Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The FY2011 budget for collection costs was based on 1.5% of the anticipated assessment collections.

Professional Services-Special Assessment

The District has contracted with Severn Trent Management Services, Inc. to levy annual assessments, update the District's tax roll, prepare estoppel letters and handle any customer service questions regarding assessments.

Professional Services-Utility Billing

The District sends invoices to customers for use of the utility system. This billing service, provided by Severn Trent Services, Inc., includes calculating, printing and mailing of utility bills, posting and depositing cash receipts, customer service and other related services.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The fees will be split with the General Fund based on the percent budgeted for each fund.

Communication-Telephone

Telephone and fax machine expenses. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the General Fund based on the percent budgeted for each fund.

Postage and Freight

This represents actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the General Fund based on the percent budgeted for each fund.

Rentals – Meeting Room

The District is charged \$100 per occurrence for the use of the meeting room at which the district's meetings are held. This fee will be split evenly with the General Fund.

Port of the Islands

Community Improvement District

BUDGET NARRATIVE WATER AND SEWER FUND

Insurance – General Liability

The District currently has its Insurance Policy with the Florida Municipal Insurance Trust. The FY 2011 budget includes an estimated 10% increase of the actual FY 2010 premium.

FY 2011:

General Liability	\$5,687
Property	<u>\$11,194</u>
Total	\$16,881

This expense is split evenly with the General Fund ($\$16,881/2 = \$8,440$).

Printing and Binding

Copies used in the preparation of agenda packages, required mailings, and other special projects. The budgeted amount for the fiscal year is based on prior year spending. The fees will be split with the General Fund based on the percent budgeted for each fund.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings and other public hearings in a newspaper of general circulation. The board has chosen to advertise for their meetings annually. The fees will be split with the General Fund based on the percent budgeted for each fund.

Miscellaneous Services

This includes bank charges and any miscellaneous expenses that may be incurred during the year.

Miscellaneous-Assessment Collection Cost

The District reimburses the Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The FY2011 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects. The fees will be split with the General Fund based on the percent budgeted for each fund.

EXPENDITURES – FIELD

Contracts-Mgmt Services

The District has contracted with Severn Trent Environmental Services to provide operating, maintenance and field management services. This contract includes a predetermined amount of

Port of the Islands

Community Improvement District

BUDGET NARRATIVE WATER AND SEWER FUND

R&M costs. Costs above the specified amount are recorded as 'R&M-Renewal and Replacement'. Any unused R&M costs are returned to the district.

Communication – Teleph – Field

Century Link and Sprint provide communication services to the District. The following accounts are included in this line item:

<u>Vendor</u>	<u>Description</u>	<u>Annual Amount</u>
Century Link	Plant Land Line (239-642-9219)	\$3,180
Century Link	Plant Fax Line (239-642-9392)	504
Sprint	Automated svc to notify Bob of power failures	84
Total		\$3,768

Utility - General

The District currently has 10 electric accounts with Lee County Cooperative for irrigation, lift stations, water and waste water plant. The estimated cost is based on prior year's average monthly electric bills.

<u>Account No.</u>	<u>Service Address</u>	<u>Svc. Type</u>
9741120000	25000 E. Tamiami	Irrigation
1941120000	0 Port of the Islands	Irrigation
3841120000	119 Newport Drive	Irrigation
7841120000	Union Road	Irrigation
0941120000	245 Stella Maris Drive	Lift Station
1841120000	0 Newport Drive	Lift Station
7624900000	160 Cays Drive	Lift Station
6941120000	0 Cays Drive	Lift Station
3083520000	0 Newport Drive	Lift Station
3941120000	86112700 P Islands	Waste Water

R&M – Irrigation

Repair and maintenance costs associated with the main pumps and other irrigation equipment at the plant.

R&M – Water

Repair and maintenance costs associated with the water plant.

R&M – Waste Water

Repair and maintenance costs associated with the waste water plant.

Miscellaneous - Licenses & Permits

Costs incurred for various licenses and permits pertaining to the water and waste water plants.

Capital Reserves

Funds set aside for future capital improvement projects including MBR membrane module replacement.

Port of the Islands

Community Improvement District

BUDGET NARRATIVE WATER AND SEWER FUND

Capital Outlay – Water

Funds spent on capital improvement projects for the water plant.

- W-14A \$2,766,000 CONSTRUCTION OF NEW WATER TREATMENT PLANT
- W-14B \$275,000 INSPECTION OF NEW WATER TREATMENT PLANT
- W-15 \$7,000 NEW WATER METER REPLACEMENT PROGRAM TO INCLUDE BACKFLOW PREVENTION:
 - This includes \$7,000/yr. for water meter replacement (100 per year for 6 years).
- W-19 \$20,000 SURVEILLANCE MONITORING
- W-20 \$15,000 SPARE PARTS
 - Spare parts and backup equipment likely to be needed for replacement
- W-21 \$11,670 MISC. EQUIPMENT REPLACEMENT
- W-22 \$8,000 FIRE HYDRANT REPAIR AND REPLACEMENT
 - Budget for one fire hydrant per year for the next five years.

Capital Outlay – Waste Water

Funds spent on capital improvement projects for the waste water plant.

- WW-23 \$30,796 SCADA AND CONTROL PANEL FOR LIFT STATIONS

Port of the Islands Community Improvement District
 Non-Ad Valorem Assessment Roll
 FY 2010-2011

Product Type	Maint. ERC Allocation	Maint/ERC	W/S ERC Allocation	W/S Standby	W/S Capital	Total per Product
		\$400		\$1,124	\$413	
Hotel Room	1.00	\$400	0.60	\$248	\$427	\$1,074
Condo Unit	1.00	\$400	0.80	\$330	\$569	\$1,299
Single Family	1.00	\$400	1.00	\$413	\$711	\$1,524

Comparison FY 2010 to FY 2011

Product Type	Total FY 2011	Total FY 2010	Increase (Decrease)	% Change
Hotel Room	\$1,074	\$1,074	(\$0)	0%
Condo Unit	\$1,299	\$1,299	(\$0)	0%
Single Family	\$1,524	\$1,524	\$0	0%