

BSI Canal Committee

6/26/2023

Well, it's that time of year when the city rolls up it's sleeves and gets serious about next year's budget, so I thought it a good time to bring you up to date on the comings, goings and status of that portion of the city budget impacting our canal assessments--- and current disposition of said items.

Starting with the current operating and maintenance assessment of \$760/yr—it appears this may continue at the current rate for one more year. Having said that, inflation, as always, is rearing its ugly head and if additional funds are required this coming year, will be satisfied from our long-term operating reserves. Obviously, digging into (BSI) reserves has limited opportunity outside budgeted items, --- plus any draws from reserves will need to be replaced within a reasonable future. Bottom line: it appears the city can hold current assessment for another year before increasing annual assessment. After this year, projections are for a rate increase of \$25/year for an expected 4 years ---eventually totaling \$100/year to be in place before 2030, or \$860/year by 2030.

Special Assessments: There are 3 improvements projects requiring special assessments: 1 currently being funded and 2 still unfunded. If you recall, these 3 special improvements are 1) LOCK widening 2) CORNER widening 3) STAGING LOT acquisition.

There is still another open assessment, -- let's refer to this as "IAN" recovery. As usual there is bad news, good news and neutral news with this activity. Starting with neutral news: the city has identified all sites with damage (31), and scheduled repairs. The good news is that all Ian damaged repairs are scheduled to be completed by March 2024. Also, within the good news category is that between FEMA disaster relief funds, current reserves and borrowing from the city, we are not looking at a significant assessment hit. Having said that, (here is the bad news) --- down the road, anticipating the next storm we will need to re-build storm reserves.

The already budgeted first special assessment LOCK Widening has been delayed. Due to the demands placed on our canal system while recovering from IAN, its not practical (or cost effective) to have both IAN repairs and Lock Widening projects happening at the same time. Therefore, even though the Lock Widening is budgeted, it will not proceed until the IAN repairs are completed. As noted earlier, if IAN repairs wrap up as expected, LOCK work will kick off March, 2024.

The second special assessment project (unfunded) is the CORNER widening. Although we have identified the corners require widening for the larger barges, we really don't have a defined scope of work, and without a scope of work, it is impossible to estimate costs to do this work, and without an estimated cost, we are just shooting in the air----- . It's clear we need to do enough up-front work. putting framework around the project scope so we can get a decent handle on the costs of this work. We have asked the city to budget \$50k to be used to complete an engineering study defining project scope, to include engineering, permitting, construction, demolition, mangrove removal, rock removal, etc... in this way, it is our intent to be able to have a handle on this CORNER work with budget and assessment requirements ready by this time next year.

The third special assessment is the STAGING LOT. Recapping, this assessment will be used in acquiring a staging lot, ---- to be used as the focal point for barges, seawall construction/repair materials and other city stocking required in maintain/improve BSI seawalls. Above and beyond cost, is location. We

obviously need to have this lot as close to (inside) BSI itself, while minimizing impact on the BSI and BSI residences. In many ways, by delaying this process over the last 30 years, we've increase the pain and costs associated with acquiring this site. To wit--- what would have been a relative minor cost and inconvenience 30 years ago, is becoming a larger and larger problem each and every year that we continue to 'kick the can down the road". So, there you have it the largest pain associated with acquiring this lot is, although significant, is not cost -- but location. I will offer you this much though—if you have any ideas for this lot, both the city and BSI would love to hear from you, since we do not have an answer that doesn't come with "baggage". It goes without saying that something will absolutely need to be done in the not-too-distant future---

For Now---calm seas, warm breezes, and plenty two-handed fish--

Rick Daugherty, Chairman, BSI Canal Committee

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