



February 26, 2015

Re: President's Letter

Dear Fellow Property Owners,

We completed SAISSA's Board of Trustees quarterly meeting on February 11, 2015. The following is a summary of current SAISSA activities.

NEW TRUSTEE AND STAFF

I am pleased to announce that Ron Kolar has accepted a position on the SAISSA Board of Trustees as one of the AIPCA's representatives. Ron replaces Carol Simon, who is leaving the SAISSA Board to take on more responsibilities for the AIPCA. Thank you Carol for your time and energy that you so willingly gave to SAISSA activities.

Two AIM staff members will be devoting time to SAISSA - Shirlene Reeves, Financial Director and Jane Kalem, Executive Assistant. Welcome aboard.

The Board of Trustees also designated Mary Brannen as Trustee Emeritus for her long – devoted involvement in SAISSA activities.

STATE COST-SHARING

As I mentioned in my last quarterly report, in 2014, the Florida Department of Environmental Protection (DEP) awarded the SAISS Beach Project a grant to reimburse eligible permitting, construction and monitoring expenses incurred between 2009 and 2014. While the grant was available July 1, 2014, it took a little over 6 months to handle all the paperwork including documentation and contractual arrangements necessary to implement the State's transfer of \$4,263,932.82 to the SAISS Beach Project.

This DEP grant was an unexpected gift to property owners. Since the inception of the Beach program, property owners have had to pay most of the costs. In 1993 and 1995, we received two small grants to help with the planting of sea oats and other dune vegetation. Over the five years between 2006 and 2010, the SAISS Project received 10 grants totaling

\$412,000 from DEP and the Amelia Island Tourist Development Council to help defray monitoring cost. This DEP grant of \$4.26 million is 10 times the combined value of all of the grants received during the last decade. Each year, Nassau County and SAISSA have sought Cost-Sharing assistance but each year our ranking was not high enough to receive consideration. In 2014 and again in 2015, we have been ranked high enough to receive grant money. Assuming the Florida Legislature appropriates sufficient money and the priorities established by DEP aren't adjusted in the Legislative process, we expect to receive about \$257,000 in grant money to cost-share the 2015 and 2016 eligible costs. The trend of qualifying for State Cost-Sharing is most welcome and we will work to see it continue.

CAPITAL ASSESSMENT

The SAISSA Trustees investigated several ways to apply the grant to the outstanding debt for the 2011 re-nourishment project and reduce assessments to property owners. We determined, after detailed financial modeling, that we could realize the largest savings for property owners by depositing the grant proceeds into four collateralized CDs timed to mature as needed to pay debt service. This approach will save property owners approximately \$233,000. Immediately applying the total grant proceeds to prepay a portion of the outstanding principal, triggers a prepayment penalty. We are very pleased to report to you that the grant, plus the interest earned, will be sufficient to reduce the 2015 Capital Assessment by approximately \$600,000 and completely eliminate all Capital Assessments to property owners for the last three years of the Bond Issue.

MAINTENANCE ASSESSMENTS

Maintenance costs consist of monitoring, design/permitting for the next renourishment and operating. Fortunately, we have been able to avoid maintenance assessments for the past five years because several years of monitoring costs were part of the 2011 bond issue and operating costs have been covered by excess funds. However, the excess funds have been exhausted and it will be necessary to raise an average of \$600,000 per year over the next four years through Maintenance Assessments.

In summary, it is anticipated that the combined Capital Assessment and the new Maintenance Assessment for 2015 will be slightly less than the 2014 Capital Assessment. However, since the Capital Assessment will be paid from grant proceeds, there will only be the Maintenance Assessment for the last three years of the 2011 Bond Issue.

PROPERTY OWNER INFORMATION PROGRAM

To keep property owners fully informed of SAISSA activities, the Board of Trustees adopted a robust information program. In addition to the President's quarterly update, we will be producing two Newsletters per nourishment cycle, annual reports to Nassau County Board of Commissioners, information at AIPCA meetings, plus much more.

SHOREBIRDS MONITORING

We have entered into our fourth annual contract with Scheda Ecological Associates to perform our required bird monitoring. We are fortunate that Scheda has contracted with Amelia Naturally to perform such monitoring. Amelia Naturally also performs our shorebird protection and the same person, who has tremendous knowledge of our beaches, will perform both services.

An important note for our bird enthusiasts—the AIPCA is sponsoring a program on Nesting Shorebirds on **March 18, 2015** (3PM) at Walkers Landing.

Please do not hesitate to contact me if you have any questions or would like more information. My email address is drewwallace2@gmail.com.

Best Regards,

Drew Wallace
President, Board of Trustees