



Barefoot Bay Recreation District

625 Barefoot Boulevard, Building "F"
Barefoot Bay, FL 32976-9233

Phone 772-664-3141
Fax 772-664-1928

Memo To: Board of Trustees

From: John W. Coffey, Community Manager

CC: Charles Henley, Finance Manager

Date: January 11, 2018

Subject: **Summary of Proposed FY19-23 Five-Year Financial Model and Capital Improvement Plan (FY19-23 5yrFM&CIP) Changes from Approved FY18-22 5yrFM&CIP**

Introduction

BBRD began using a five-year financial model and capital improvement plan (5yrFM&CIP) during the budget preparation process in 2015. Although complex, combining a financial model with a capital improvement plan allows the users and public to understand the probability of future projects being executed versus the traditional stand-alone capital improvement plans that tend to be wish lists. The type of 5yrFM&CIP used by staff is built to be an interactive model easily manipulated in public workshops to allow decision makers the opportunity to see in real time the impact of proposed changes (i.e. raising or lowering assessment rate, adding or removing funding from projects, etc.). This summary is meant to be read in accompaniment of reviewing the FY19-23 5yrFM&CIP and not as a stand-alone document.

Due to the BOT's ongoing discussions regarding financing specific major repair & maintenance and capital projects, the FY19-23 5yrFM&CIP is comprised of two separated but inter-related 5yrFM&CIPs (General Fund and 2018 Bond Project Fund). The two 5yrFM&CIPs are meant to be a starting point for in-depth review, analysis and modification. No two people would prioritize the 104 requested (89 funded) projects in the same order or probably develop the same review assumptions (due to the transition of some projects to the 2018 Bond Projects Fund some projects are counted twice). The reader is cautioned to remember that changes in one fund may impact the other.

Both 5yrFM&CIPs assume that BBRD will have to go through a court "validation" process (prior to the issuance of bonds) which makes the timing of the actual bond issuance uncertain. Therefore, the 5yrFM&CIPs assume that BBRD will receive the bond receipts sometime in either very late FY18 or in FY19. Eligible expenses of specific 2018 Bond Project Fund projects can be reimbursed to the General Fund if they occur within 6 months of the issuance of the bonds. Staff projects 66% (or \$651,000) of the FY18 costs of the Replacement Administration Building project to be reimbursable. If the issuance of the bonds is delayed this transfer may not be possible and modification to the General Fund 5yrFM&CIP would be required by the BOT to maintain a minimum fund balance.

Lastly, the Proposed FY19-23 5yrFM&CIP is based on unaudited numbers. Specific numbers (i.e. DOR Enforcement Fees, non-spendable for pre-pays and inventory, etc.) are estimated numbers and will be revised once the FY17 audit is completed. Based on previous experience any deviation from actual numbers are probably immaterial given the overall size of the annual budget.

Purpose

- To ensure transparency and to effectively communicate how the attached Proposed FY19-23 5yrFM&CIPs have changed from the Approved FY18-22 General Fund 5yrFM&CIP (by the BOT in multiple workshops dealing with possibly financing future projects and by the Community Manager to balance each 5yrFM&CIP to ensure financial feasibility) as adopted by the BOT last year.
- To permit the reader the ability to review changes made to the combined lists totaling \$12,409,872 in requested projects and \$10,815,384 in proposed funded projects (due to the transition of some projects to the 2018 Bond Projects Fund) some projects are counted twice.

GENERAL FUND

Revenues

- **Assessment Rate**
Proposed for FY19 is a total \$2.24 increase in the monthly assessment rate comprised of three elements.
 - A \$0.92 or 1.50% increase in the monthly assessment rate is proposed to maintain the ability of BBRD to fund R&M/Capital projects needs given the impact of inflationary pressures on operating costs.
 - A \$1.11 a month increase is proposed to offset \$65,213 in declining Golf Membership revenues.
 - A \$0.20 a month is proposed to offset \$11,915 in lost Shopping Center revenues from the use of one unit by the BFBHOA.

Projected continued declines in golf membership related receipts necessitates additional increases in FY20, FY21 and FY22 as listed below:

- \$63.74 in FY19
 - \$0.92 or 1.5% inflationary increase
 - \$1.11 declining Golf membership revenues
 - \$0.20 lost Shopping Center revenues from BFBHOA office
- \$64.94 in FY20
 - \$0.96 or 1.5% inflationary increase
 - \$0.24 declining Golf membership revenues
- \$66.16 in FY21
 - \$0.97 or 1.5% inflationary increase
 - \$0.25 declining Golf membership revenues
- \$67.38 in FY22
 - \$0.99 or 1.5% inflationary increase
 - \$0.23 declining Golf membership revenues
- \$68.39 in FY23
 - \$1.01 or 1.5% inflationary increase

- **Recreation (AKA Social Membership) Fees**
The increase in FY18 from \$495 to \$750 significantly increased projected receipts as compared to FY17 Actual receipts. No increase is proposed for FY19 through FY22. A 10% increase in the fee is proposed for FY23, resulting in an additional \$37,240 in receipts each year thereafter (given a constant number of genuine transfers of property).
- **Guest Passes**
Receipts appear to have plateaued in FY17. With the recent return to the historic guest pass policy by the BOT, staff anticipates a slight increase in FY18 (although not meeting the FY18 Budget level) and that receipts will remain constant throughout the out years.
- **DOR Enforcement Fees**
Receipts are booked as billed and then the uncollectible payables are removed from the line-item during the audit process. Although \$53,594 was billed in FY17, with all but approximately \$10,000 are uncollectible.
- **Food & Beverage Sales**
Increase in FY18 Year-end Estimate is based on a conservative estimate of 12.3% increase over FY17 Actuals. Out year receipts are based on continued long-term growth with an annual 2.5% increase in prices. Expansion of facilities contained within the 2018 Bond Project Fund will significantly alter these projections but due to uncertainty of timing of said projects their impact is currently not included for simplicity. Closures of said facilities are not anticipated to greatly impact the General Fund's 5yrFM&CIP since pre-planning of each closure will enable staff to reduce costs to off-set reduced revenues.
- **Golf Fees & Income**
As the number of golf courses nationwide continues to decline, coupled with the changing demographics of BBRD residents, membership driven revenues continue to decline. The decrease in FY18 Year-end Estimate is primarily due to an unanticipated large decrease in the number of memberships (due to medical reasons, people choosing to pay green fees, etc.) as compared to the same period last year while green fees receipts appear to have plateaued. FY18 membership is projected at 249 memberships or 360 members, a decline of 21.2% from FY17. The most common reason cited for non-renewal was low number of rounds played per week did not justify the cost of membership. Although politically not popular to state, the ability to participate in active recreation sports declines as people age. Years ago, new residents replaced golfers who aged out of regular play, but new residents do not play golf as much as residents of 20-40 years ago. A continuation of this downward trend is anticipated for at least four more years, given current membership demographics. Due to this anticipated continued decline, a 2.5% decrease in revenue is projected in the out years through FY22. Staff anticipates by FY23 the declining membership will stabilize based on the number of new players moving into BBRD each year.

The 10% increase in membership rates recommended for FY21 (previously planned for FY20) is proposed to offset declining membership related receipts while keeping membership rates below neighboring courses.

A small but vocal group of golfers are critical of the recent rate adjustments and increases. However, a comparison of similar par 60 courses in the area demonstrates BBRD is still the least expensive quality course available.

- **Shopping Center Income**
Due to the BOT giving one of the leasable spaces to the Veterans' Service Office (previously located in a very small office in Building D/E), FY18 Year-end Estimated receipts are lower than budgeted. Out year receipts are based on anticipated renewals of all leased spaces except for the former doctor's office which is assumed to remain empty due to the small size.
- **Vehicle Storage Income**
Staff anticipates FY18 Year-end Estimates matching the FY18 Budget which included a 10% rate increase. Future receipts are projected to remain constant until a proposed 10% increase in FY23.
- **Grant Revenue**
Staff anticipates BBRD will finally receive the partial reimbursement (approximately \$128,000) of the 50% reimbursement \$400,000 grant program completed in 2015. State officials have finally approved the reimbursement (although they only approved a portion of the submitted amount) and have forwarded the package to Washington for federal approval. The Golf 100% reimbursement \$50,000 grant program originally scheduled for completion in early FY18 is now anticipated to be completed by the end of FY18 due to the impacts of Hurricanes Matthew and Irma in FY17. Said reimbursement is anticipated to be received in FY19 along with the reimbursement of the 100% reimbursement \$50,000 Community Center grant program.
- **Transfer from 2018 Bond Projects Fund**
A one-time inter-fund transfer based on the assumption that BBRD will have to go through a court "validation" process (prior to the issuance of bonds) which makes the timing of the actual bond issuance uncertain and that eligible expenses of specific 2018 Bond Projects Fund projects can be reimbursed to the General Fund if they occur within 6 months of the issuance of the bonds. Staff currently projects 66% (or \$651,000) of the FY18 costs of the Replacement Administration Building project to be reimbursable (based on the probability of the bonds being issued in the fall of calendar year 2018). If the issuance of the bonds is delayed this one-time transfer may not be possible and modification of the General Fund 5yrFM&CIP would be required by the BOT to maintain a minimum fund balance.

Expenditures

- **Management Analyst Position**
Funding for the new Management Analyst position (approved in the FY17 Budget and planned as a part of future amended SDS contract) is included for the second 6 months of FY19 and for 12 months each fiscal year thereafter due to the assumption that the Replacement Administration Building will be ready for staff to occupy in mid-FY19. Said position will require an amendment to the SDS contract prior to recruitment of the position.
- **Stormwater Projects**
Due to the historical neglect of the stormwater system coupled with the impact of recent highwater events, several significant unplanned projects are required within the next 18 months. The completion of the Tamarind and Cherokee projects is pending action by Brevard County and other projects (weir pipe and various wash outs along canals and ditches) will continue the unusually high expenditures in the Stormwater Department through FY19.

- **Employee Health Insurance**
BBRD was able to reduce overall premium costs and increase the percentage paid for employee and dependent coverage in FY18 by switching vendors. Additionally, the BOT expressed a desire to continue a multi-year effort to increase the percentage of BBRD premiums paid for dependent coverage up to 50% (was historically zero percent until this year when the BOT approved 25% coverage). Therefore, the annual percentage increase used for employee health insurance is as follows:
 - 15% in FY19
 - 15% in FY20
 - 10% in FY21
 - 8% in FY22
 - 8% in FY23
- **Potential Increase in Federal Minimum Wage Law**
Due to Florida's state minimum wage of \$8.25 (for non-tipped employees) being \$1.00 higher than the federal minimum wage (tipped minimum wage of \$5.23 is \$3.10 higher than the federal rate and is the 14th highest in the nation), the impact of any increase in FY19 would be negligible and assumed to be absorbed by budgeted contingency planned for FY19. Of note, the last time the federal government raised the minimum wage was in 2009.
- **Transfer to Debt Service Fund**
If the BOT issues bonds for specific R&M/Capital projects as planned later this fiscal year or in FY19, a transfer from the General Fund to the inactive Debt Service Fund would be required to pre-pay the annual debt service payments starting in FY19.

R&M/Capital Projects

Of note, only changes to the projects listed in the Approved FY18-22 5yrFM&CIP are listed below. Said changes are a result of

- Projects carried forward from FY17 into the FY18 Budget due to the impacts of Hurricanes Matthew and Irma or other factors
- Changes directed by the BOT
- Proposed changes by staff
- New projects
- Projects added by the BOT since the last 5yrFM&CIP was approved

A change in format from previous years is that minor projects that used to be lumped together under the "prior and/or mid-year funded projects" line within the fund summary are now listed in the project detail section for clarity.

For simplicity, all non-funded projects listed on the FY19-23 5yrFM&CIP now have their budgets listed in FY23 (the last out year) and will roll forward to the last out year in subsequent editions until either funded or removed from the document.

Resident Relations Projects

- **Neighborhood Revitalization Program**
The name of this project, formerly known as "Removal of Undesirable Homes," was changed in mid-2017 after the BOT formalized the program through changes to the Policy Manual and Rules of the BOT documents. Of note, when BBRD sells the land after removing said homes, the expenditure budgets will be amended to reflect the cash

received thereby reimbursing a portion of the cost to the program. For clarity purposes said reimbursements are not shown.

- Expansion of Micco RV Lot (including purchase of land)
Added by BOT originally to 2018 Bond Projects Fund but deleted by BOT and moved to General Fund and placed in out years with corresponding increased costs (FY22 and FY23) as an unfunded project.

Concrete, Pavers and Paths Projects

- Replace Damaged Concrete Sidewalks/Assembly Areas (location TBD)
Due to overall funding constraints and accumulated budget within the project account (from prior years), no additional monies are proposed for FY19 while the accumulated carry forward budget is planned to be expensed.
- Replace Concrete & Pavers at Lounge
The project is budgeted for FY18 but is not anticipated to be completed until late FY19 after the Lounge Enlargement (2018 Bond Projects Fund) project is completed.
- Expand Paver Area West of Lounge by 20 Feet
The BOT moved this FY18 project into the 2018 Bond Projects Fund, but the Community Manager moved it back to General Fund due to the project being tied to other General Fund projects that will be executed after the Lounge expansion project (2018 Bond Projects Fund) is completed in FY19.
- Replace Sidewalks at D&E/19th Hole
Originally budgeted in FY18, the project was removed from the General Fund 5yrFM&CIP in lieu of Replacement D-E/19th Hole/Pro Shop Complex project in the 2018 Bond Projects Fund. The FY18 Budget for this project remains shown until a future budget transfer moves it to contingency for use elsewhere.
- Repave West RV Lot
The BOT moved this project into the 2018 Bond Projects Fund, revised the budget per new information and added funding.
- Repave Micco RV Lot
The BOT moved this project into the 2018 Bond Projects Fund and revised the budget per new information.
- Repave Shopping Center Parking Lot
The BOT moved this funded project into the 2018 Bond Projects Fund and revised the budget per new information.
- Repave 19th Hole Parking Lot
The BOT moved this funded project into the 2018 Bond Projects Fund, revised the budget per new information and then removed this and other individual projects (from the General Fund 5yrFM&CIP) in favor of the Replacement D-E/19th Hole/Pro Shop Complex project (2018 Bond Projects Fund) that will necessitate the repaving and possible expansion of the parking lot.
- Westside Recreation Area Pathways
The previously unfunded FY21 project is now proposed for funding to provide easier access among amenities west of Veterans' Way.

- Replacement Administration Building, Phase 2 – Additional Parking
This unfunded project was removed from the FY19-23 5yrFM&CIP due to low support in previous years. Of note, the construction of the Replacement Administration Building will contain an access road and short-term parking spaces that will be constructed after the building is completed.

Pools

- Replace Pit Building at Pool #1 and Add Salt Water System
The project is budgeted for FY18 but is not anticipated to be completed until late FY19 after the Lounge Enlargement (2018 Bond Projects Fund) project is finished.
- Relocate Heater Equipment into New Pit Building at Pool #1
BOT moved this funded project into the 2018 Bond Projects Fund, but the Community Manager moved it back to General Fund due to project being tied to other General Fund projects that will be completed after the Lounge expansion project (2018 Bond Project Fund) is finished in FY19.
- Replacement of Pool#2 Pit
This FY17 project was carried forward since no vendor could be found in FY17 who wanted to submit a proposal for the project. Completion is anticipated in FY19.
- Pool 2 Canopy on Grass
The BOT informally moved this FY22 funded project up to FY18 per a resident's request in 2017. However, financial constraints prohibit the completion of the project until FY19.

Buildings

- Replacement Administration Building
Majority of project cost moved up to FY18 per BOT with balance in FY19. Project elements remaining to be completed include:
 - Construction of building
 - Construction of access road and short-term parking
 - Installation of telephone/data system
 - Installation of security system
 - Acquisition of new furniture
 - Removal of existing building.

The project was moved to 2018 Bond Fund by BOT during workshops but moved back to General Fund by the Community Manager due to uncertainty of receipts of bond funds. Staff projects 66% of FY18 expenditures being eligible for reimbursement from the 2018 Bond Projects Fund in FY19 (assuming said percentage of work occurs within 6 months of issuance of the bonds). If validation takes longer than anticipated, the General Fund FY19-23 5yrFM&CIP will need to be revised to increase revenues and/or reduce expenditures to make up for the planned transfer of funds.

- Conceptual Re-Design of Replacement D-E/19th Hole/Pro Shop Complex
The design and construction phase of the project was moved to 2018 Bond Fund by BOT and expanded in scope and size in late 2017. The conceptual re-design of the 2015 conceptual designs was retained in General Fund as this project for simplicity in beginning the 2018 Bond Projects Fund in FY19).

- Lounge Roof Replacement
This FY18 project is proposed to be delayed until early FY20 when the 2018 Bond Projects Fund's "Lounge Expansion" project is completed.
- Pool #2 & #3 Restroom Roof Replacement Projects
These funded FY19 projects are proposed to be moved to FY20 to consolidate as many of the roof replacement projects as possible to maximize economies of scale in costs.
- New Outdoor Kitchen & Bar at Lounge
This unfunded project was removed from the General Fund 5yrFM&CIP since Lounge Expansion and Bldg. A Kitchen expansion projects are now planned in the 2018 Bond Projects Fund.
- Building A Kitchen Remodel Design
The multiple Building A Kitchen projects (put into the FY17 Year-end Estimate column in last year's 5yrFM&CIP) were moved to 2018 Bond Projects Fund by the BOT and consolidated into one project last year. As with the 19th Hole Kitchen Expansion Design project, the design cost remains in the General Fund.
- Building A Kitchen Pass Through Door to Hallway
Combined into Building A Kitchen Remodel project and moved into 2018 Bond Projects Fund per BOT (project is no longer shown in the General Fund 5yrFM&CIP for consistency purposes)
- Building A Kitchen/Prep Area/Storage Footprint Expansion
Combined into Building A Kitchen Remodel project and moved into 2018 Bond Projects Fund per BOT (project is no longer shown in the General Fund 5yrFM&CIP for consistency purposes).
- Building A Kitchen Assembly Room Entrance Renovation
Combined into Building A Kitchen Remodel project and moved into 2018 Bond Projects Fund per BOT (project is no longer shown in the General Fund 5yrFM&CIP for consistency purposes)
- Building A Kitchen Exterior Walk-in Cooler/Freezer
Combined into Building A Kitchen Remodel project and moved into 2018 Bond Projects Fund per BOT (project is no longer shown in the General Fund 5yrFM&CIP for consistency purposes)
- 19th Hole Kitchen Expansion Design
The BOT added the following projects to FY17 during the FY18 Budget workshops (19th Hole Kitchen Equipment Replacement/Expansion, 19th Hole Interior Renovation and 19th Hole Exterior Walk-in Cooler/Freezer) and awarded a contract for design later in FY17. Before the design was completed in early FY18, the BOT deleted these projects in lieu of adding the Replacement D-E/19th Hole/Pro Shop Complex project to the 2018 Bond Projects Fund. The remaining cost of the design will be expensed in the General Fund.
- Replacement D-E/19th Hole/Pro Shop Complex
The formerly unfunded "New D&E Building and Parking Lot" project was renamed and moved by the BOT into the 2018 Bonds Projects Fund. The budget was increased per the revised conceptual design based on direction given to the design team by the BOT in 2017.

- **Pool #1 Walkway Roof Replacement**
This project was added mid-FY17 by the BOT but was not completed as the original vendor selected refused to execute the project. The BOT later revoked the award of contract and awarded a new contract to the second ranked vendor. Staff anticipates this project being completed in FY18.
- **Upgrade Electrical Infrastructure in Building A**
This project was moved to 2018 Bonds Project Fund per the BOT. The FY18 Budget for the project remains shown in Revised FY18 Budget column for clarity (since General Ledger still shows amount). Zero expenditures are shown in General Fund for FY18 Year-end Estimate and out years.
- **New Awning and Panels West of the Lounge**
This FY18 project is on hold until the Lounge expansion project (2018 Bond Projects Fund project) is completed in FY19.
- **D/E Emergency Backup Generator**
This FY18 project is recommended to be deleted due to the current plan to demolish and replace the current D-E/19th Hole/Pro Shop Complex (2018 Bond Projects Fund project).
- **Building A Fire Alarm System Replacement and Upgrade**
This project was added mid-FY18 by the BOT due to repeated false alarms and to increase the sensitivity of the detection system, thereby providing greater protection to residents and staff.
- **Building A Emergency Backup Generator**
Informally added by BOT to FY18 Budget in 2017 but recommended to be placed in the out years as an unfunded project due to costs (based on full usage of building during summertime power outages).
- **Building C Stucco Replacement**
Project requested by Property Services due to deteriorating condition of exterior walls. Funding is recommended for this project.
- **Veterans' Meeting Space**
The top request from residents at the FY19-23 Budget Kick-off Townhall meeting was for the veterans' groups to be able to use the current Resident Relations Office once staff relocates to the completed Replacement Building F. Cost includes modification to walls, lighting, HVAC ducts, handicap accessible door and restroom. Staff recommends funding for this project.
- **Veterans' Building**
The Veterans' organizations requested in late 2017 a stand-alone 3,500 square foot building (assumption is that BBRD would procure a temporary structure to us for meeting space during construction of a new D/E Complex. As of the date of this report, said decision had not yet been made by the BOT.). Projected cost is based upon research of constructing the replacement building F behind the Shopping Center. Specific costs include a modular building, parking, water retention and water and sewer impact/connection fees with Brevard County. Due to the high cost this project is currently not recommended for funding.

Vehicles

- Replacement of Resident Relations Golf Cart (2013)
The planned replacement of a 2013 cart per the vehicle inventory schedule is recommended for funding in FY23.
- Replacement Lawnmower
Item requested by Property Services to replacing an aging unit and is recommended for funding in FY20.
- Replacement Utility Cart (for use by softball players)
Historically, the Over 60 Softball Association (O60SA, that is contracted by BBRD to perform certain routine maintenance tasks at the field) has used a "SandPro" (piece of equipment used by golf courses to rack out bunkers) to maintain the infield. Due to the high cost of the units, BBRD last purchased a used unit in 2015. Recently, the O60SA agreed to exchange their SandPro for a surplus utility cart (no longer suitable for the daily demands placed on it by Property Services staff). Hence, the replacement of the utility cart provided to the O60SA is recommended for funding in FY22.

Amenities

- Softball Field Fence Replacement (Irma)
This FY18 project was added mid-FY18 by the BOT to repair damages done by Hurricane Irma.
- Golf Cart Barn Repairs (Irma)
This FY18 project was added mid-FY18 by the BOT to repair damages done by Hurricane Irma.
- Restoration of (Golf Course) Bunkers, Phase 2
\$10,000 of the original \$30,000 FY17 project was carried forward to FY18 in case additional material was needed to complete the bunkers identified for FY17. No additional monies were expended, and this project budget will eventually be transferred to contingency.
- Restoration of (Golf Course) Bunkers, Phases 3-6
BOT moved these projects into the 2018 Bond Projects Fund, but the Community Manager moved it back to General Fund due to the ability of in-house staff to accomplish these projects at a lower cost if the projects are spread out over time.
- ABM Worksite Upgrade, Phase 1 – Canal Fill
The BOT moved this previously unfunded project from General Fund to 2018 Bond Projects Fund and added funding.
- ABM Worksite Upgrade, Phase 2 – Consolidated New Building
The BOT moved this previously unfunded project from General Fund to 2018 Bond Projects Fund and added funding.
- Replace Golf Cart Path, Phase 3
The BOT moved this project into the 2018 Bond Projects Fund, but the Community Manager moved it back to General Fund due to need to accomplish this project before bonds are issued.

- Pump House Building
This FY17 Budget project was delayed due to Hurricanes Matthew and Irma and was completed in FY18. The project budget was previously carried forward into FY18.
- (Golf Course) Lake Bank Restoration, Phases 6-9
Moved from General Fund to 2018 Bond Projects Fund per BOT. The FY18 Budget is still shown in the General Fund until a future budget transfer moves it to contingency.
- Beach Projects, Phase 2
The FY17 project was moved from the Grants section to Non-grants section due to BOT deciding to withdraw from grant program in 2017 to focus on residents' requested items rather than what is reimbursable under the grant.
- Beach Projects, Phases 3&4 and Beach Gate Access Card System
The BOT moved these funded projects into the 2018 Bond Projects Fund.
- Fountain in the Lake by Building A
Funding for this project was removed last year as the BFBHOA was interested in funding it. The BFBHOA later informed the BOT they were not interested in funding the project. The project is now shown as unfunded in FY23.
- Hi-Def CCTV Cameras, Phases 3-7
These unfunded projects were deleted from the 5yrFM&CIP per the direction of the BOT.
- Christmas Decorations, Phase 3
Funding is recommended to be added to this previously unfunded project in FY19.
- Purchase of Vacant Land North of Falcon Dr. Complex
The BOT considered this project (purchase of east portion of adjacent platted property) for inclusion in 2018 Bond Projects Fund but ultimately deleted it from the list. It is shown as an unfunded project with the cost increased due to being moved to FY23.
- D/E Video System Replacement and Upgrade
This FY18 project was added mid-FY18 by the BOT to upgrade recording capabilities to meet the new standards soon to be required by the local government access channel.

Grants

- Community Center Projects: Bocce Ball Court Replacement (FRDAP grant funded)
The FY17 project was not completed due to delays incurred as a result of Hurricanes Matthew and Irma. The balance of the budget was carried forward into FY18.
- Community Center Projects: Bocce Ball and Shuffle Board Benches (replacement) and Covers (New) (FRDAP Grant Funded)
The FY17 project was not completed due to delays incurred because of Hurricanes Matthew and Irma. The budget was carried forward into FY18.
- Beach Projects, CPI Grant Funded
Funding for this project was canceled in 2017 by the federal government after BBRD requested a modification to the scope of work and therefore no expenditures were incurred and the project was removed from the 5yrFM&CIP.

Committed for CIP Reserves

- Per BOT direction, the \$800,000 projected to be accumulated by FY22 for future D-E/19th Hole/Pro Shop/Cart Barn projects was reprogrammed for other uses as the BOT is now working toward financing the replacement of said complex within in the next three years in the 2018 Bond Projects Fund.

Fund Balance (as a Percentage of Subsequent Year's Operating Budget)

- The reader is reminded that when the first 5yrFM&CIP was originally developed for the FY16 Working Draft Proposed Budget, the BOT had the long-held belief of "more is better" when it came to fund balance. In FY16 the BOT adopted 20.0% as BBRD's official minimum fund balance policy. At that time the General Fund's balance far exceeded the 20.0% minimum.
- The Proposed FY19-23 5yrFM&CIP minimum fund balance percentages reflect the impact of delayed projects resulting from Hurricanes Matthew and Irma coupled with the continued use of excess fund balance for critical one-time capital projects. FY17 ending fund balance of 31.54% reflects said project delays. Due to deferring multiple FY18 budgeted projects to FY19, the FY18 Year-end Estimate fund balance is projected at 18.03%. Normally anything lower than the minimum fund balance policy of 20.0% would be cause for concern and a probable negative mark on the annual audit. However, staff plans on seeking advice of BBRD's auditors at the end of FY18 regarding this matter. If they believe it would result in a finding on the audit staff will simply process a budget amendment to delete these carry forward projects in FY18 and then process a budget amendment in FY19 recreating the same projects. A bump up in fund balance is then projected in FY19 due to a planned reimbursement from the 2018 Bond Projects Fund (for expenses incurred in FY18 for the Replacement Administration Building project). Fund balance for the out years are projected to remain above the 20% threshold due to a lack of funded projects.

2018 BOND PROJECTS FUND

A separate fund is recommended when a public-sector entity finances significant amounts of money for R&M/capital projects to ensure said funds are expensed per the terms of the financing. The BOT is currently considering issuing tax-exempt bonds that would require a minimum of 85% of the projects' cost to be spent within 36 months of the date of the receipt of said funds. Hence, the Proposed 2018 Bond Projects Fund FY19-23 5yrFM&CIP was developed with the goal of receiving said funds no later than FY19 and fully expending all monies by the end of FY21. Once all monies are spent, the fund would be closed.

Revenues

- **Bond Receipts**
The gross proceeds of the bond issuance are anticipated to be received in FY19.
- **Future Assumptions**
Per the special nature of this new fund, no additional revenue streams except minor interest income receipts are projected. If a future BOT wished to finance additional projects, staff would create a specific fund for that purpose rather than comingle multiple financing efforts within one fund.

Expenditures

- **Issuance Costs**
Industry standard suggest approximately \$250,000 in pre-issuance cost can be expected. These costs are rolled into the final bond issuance and then distributed to the respective parties.
- **Reimbursement to the General Fund**
Eligible expenses are reimbursable within 6 months of the issuance of the bonds. Due to the uncertain timing of the receipts, staff conservatively estimates 66% of FY18 General Fund Replacement Administration Building project can be planned for reimbursement to the General Fund.

R&M/Capital Projects (all projects are funded)

Concrete, Pavers and Paths Projects

- **Repave West RV lot**
This FY 20 project includes the re-pavement of both lots and access roads. This project was previously listed as an unfunded project in the General Fund FY18-22 5yrFM&CIP.
- **Repave Micco RV lot**
This FY 21 project includes the re-pavement of the lot and access roads. This project was previously listed as funded project in the General Fund FY18-22 5yrFM&CIP.
- **Repave Shopping Center Parking Lot**
This FY 20 project includes the re-pavement of both lots and access roads. This project was previously listed as a funded project in the General Fund FY18-22 5yrFM&CIP.

Buildings

- **Replacement Administration Building (final 10% of building construction, data/phone system, furniture, access road, parking, generator, etc.)**
This is the continuation of the project begun in 2015 within the General Fund. An estimated budget number is currently used for all the non-building costs. Staff anticipates having refined budgetary numbers in early February when the FY18 Budget will be recognized via a budget amendment.
- **New D-E/19th Hole/Pro Shop Complex**
This project was added by BOT to 2018 Bond Projects Fund and expanded in scope and size in late 2017 (conceptual design phase is retained in General Fund as a separate project).
- **Upgrade Electrical Infrastructure in Building A**
This previously General Fund project will complete the replacement of obsolete electrical equipment and upgrade the building to meet current needs. This project is planned to be conducted simultaneously as the HVAC Replacement/Upgrade project listed below and will meet the needs of the Building A Kitchen Expansion project.
- **Building A HVAC Replace/Upgrade**
Based on an analysis of the HVAC system, this project will replace the aging units and provide other upgrades that will improve the energy efficiency of the building and extend the expected useful economic life of each HVAC unit. This project is planned to be conducted simultaneously as the Upgrade Electrical Infrastructure project listed above and will meet the needs of the Building A Kitchen Expansion project.

- **Building A Kitchen Expansion**
This project is the combination of multiple stand alone projects the BOT added to the FY18-22 5yrFM&CIP which will expand and remodel the kitchen to increase catering capabilities and efficiencies. Design is substantially completed.
- **Lounge Enlargement**
This new project would increase the square footage of the Lounge by 50%. Current General Fund projects that are impacted by the changing foot print of the building will be delayed until this project is completed.
- **Replace Electrical Infrastructure in Shopping Center**
The BOT moved this current FY18 General Fund project into the 2018 Bond Projects Fund.
- **Additional Storage at Falcon Drive**
This new project would seek to purchase one acre of the 8.26 acres and then construct an 1,800-square foot pre-engineered metal storage building. The purchase of the land would require approval of the voters due to BBRD's Charter.
- **Beach Projects, Ph. 3 (Restrooms)**
The BOT moved this current FY18 General Fund project into the 2018 Bond Projects Fund.
- **Beach Projects, Ph. 4 (Pavilion)**
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund.
- **Beach Gate Access Card System**
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund.
- **(Golf Course) Lake Bank Restoration, Ph. 6 (left of 11 tee box, right of 16 green)**
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.
- **(Golf Course) Lake Bank Restoration, Ph. 7 (between holes 10 & 12)**
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.
- **(Golf Course) Lake Bank Restoration, Ph. 8 (right of 6, right of 2, right of 3 & behind 5)**
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.
- **(Golf Course) Lake Bank Restoration, Ph. 9 (right of 15, right of 14 & right of 14 green)**
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.
- **(Golf Course) Irrigation System Repairs**
Replacement of components of the aged irrigation system and expansion to cover critical areas currently not irrigated. This project would be executed during the summer months when the new D-E/19th Hole/Pro Shop complex is under construction. This project would also require BBRD to hire an irrigation coverage planner to provide professional design services.

- **ABM Worksite Upgrade Phase 1 (canal fill)**
This project would convert an existing open 140 feet by 36-foot canal to piped drainage and thereby expand usable space while providing enhanced buffering to adjacent land owners.
- **ABM Worksite Upgrade Phase 2 (consolidated new building)**
This project would replace a combination of a rented office trailer, a shed and an obsolete wooden building with a 3,000-sq. foot consolidated pre-engineered metal building (kitchenette/break room, restrooms, storage, an office for the maintenance manager and a pit mounted 8,000-pound capacity hydraulic vehicle lift). Currently, ABM uses one of the bays at Falcon Drive for equipment maintenance and repair. This project would free up additional space at Falcon Drive for use by Property Services staff.

Fund Balance (as a Percentage of Subsequent Year's Operating Budget)

- Due to short-term nature of the fund, there is no minimum fund balance policy. All monies are projected to be expended by the end of FY21. Afterwards, the fund will be closed.

CONCLUSION

I would like to personally thank all the department managers for their time spent in updating the annual 5yrFM&CIP and the extra time involved this year in the creation of the 2018 Bond Projects Fund 5yrFM&CIP. As always, any errors (and there will be some with the magnitude of calculations and key strokes required to develop this inter-active financial model and capital improvement plan) are solely my responsibility.